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**CENTRES OF CALCULATION: A STUDY OF ACCOUNTING AND LOCAL
GOVERNMENT IN ENGLAND AND WALES, 1800-1995**

by

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**Submitted in partial fulfilment of the requirements of the Open University for the
award of the degree of Doctor of Philosophy.**

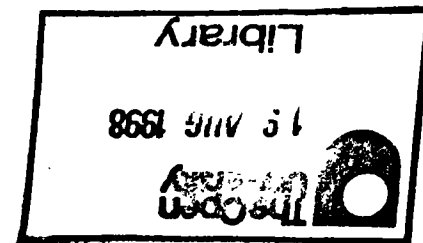


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ABSTRACT

Perceptions of the nature and scope of accounting in modern societies have changed dramatically in the last twenty years. From being seen as an essential but minor component of productive enterprise, representing economic facts to shareholders, managers and governments to allow optimal economic decision-making, accounting has come to be widely regarded as a social and institutional practice that plays a leading role in the construction of the languages, ideas, processes, relationships and institutions which constitute our images of society itself and its government. Accounting has transcended the organisational frame of reference and the functionalist epistemologies which previously characterised it as a field of study, and now embraces a wide and prolix range of research agendas, approaches and theoretical frameworks.

Given its newly perceived significance, researchers have seen the need to study the relationship between accounting as a social, institutional and primarily calculative practice and other practices of management and organization. To understand these practices and relationships fully, their conditions of emergence in particular localised historical settings must be analysed. Accounting is a practice constructed out of a wide and diverse range of other techniques and practices, and over time its boundaries have varied greatly in extent, scope and permeability. Analyses of this process of emergence and construction have been termed 'genealogies of calculation' (Miller and Napier, 1993).

This study is concerned with one such genealogy: the emergence and construction of a set of calculative practices now constituted as accounting in local government in England and Wales. These practices have repeatedly proved highly influential in shaping our ideas of what constitutes good government as well as good management of the urban and rural localities in which we live. Borrowing from a wide range of other calculative practices - notably but only partially from those used in profit-seeking enterprises - local government accounting practice has been constructed and deployed within and alongside changing rationales, programmes and technologies of government with the result that we now find it difficult even to conceive of a notion of government which does not involve accounting calculation and its associated rationales of accountability and efficiency (Hopwood, 1984).

This study examines how this situation has come about, beginning with an examination of the calculative practices of local government before some of them became to be seen as accounting, through the period of widespread professionalization of occupations (including accountancy) in the nineteenth century, into an analysis of the recent introduction of accrual accounting for capital assets in local government. Contrasting with conventional accounting histories which tend to see changes in accounting as progressively improving responses to changing environmental imperatives, the study draws attention to historical discontinuities and the arbitrariness of the inclusion and application of many of the elements of what counts as local government accounting practice, leading to a reconsideration of their effect on our notions of government and experience of governmentality and a discussion of how they might be constructed differently.

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- a version of Chapter 2 was presented at the EIASM Workshop on *Management and Accounting in Historical Perspectives*, Bologna, 1996;
- part of Chapter 3 was presented at the doctoral colloquium of the European Accounting Association, Bergen, 1996;
- a version of Chapter 4 was published as 'Capital Accounting Case Study: UK Local Government' in Lawton, A and McKevitt, D (eds), *Case Studies in Public Services Management*, Oxford, Blackwell, 1996;
- a version of Chapter 5 was presented at the European Accounting Association Annual Congress, Graz, Austria, 1997, at an ESRC/CIMA Seminar on '*The New Public Sector*' held at the London School of Economics, 1997 and at the first *Euroconference on Social Accounting, Auditing and Reporting* held at Nijenrode, The Netherlands Business School, 1997.
- a summary paper of the whole thesis was presented at the fifth *Interdisciplinary Perspectives on Accounting* Conference, Manchester, 1997.

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Chapter 1: Accounting and Government

This chapter introduces the main themes and theoretical frameworks used in this study, the reasons for its structure and subject matter and a preliminary review of some of the relevant literature.

"[T]he dream or nightmare of a society programmed, colonised or dominated by 'the cold monster' of the State is profoundly limiting as a way of rendering intelligible the way we are governed today. One needs to ask how, and in what ways, and to what extent the rationales, devices and authorities for the government of conduct in the multitude of bedrooms, factories, shopping malls, children's homes, kitchens, cinemas, operating theatres, classrooms and so forth have become linked up to a 'political' apparatus?"

(Rose, 1996:38).

"The term 'technologies' can be used to refer to [a] wide range of calculations, procedures and mechanisms of government. Technologies are a distinctive aspect of government, but they also complement the programmatic aspects, enabling them to be represented as operable in principle. [...] Technologies of government materialise and visualise processes and activities to be regulated. Technologies also make processes and activities thinkable according to certain theoretical principles. [...] [T]hey do not have a neutral function of recording the real, but literally represent it in such a way as to make it susceptible to evaluation, calculation and intervention. And in the process they create 'centres of calculation' (Latour, 1987), sites at which information is accumulated about other places, processes, entities and activities that are distant. It is this capacity to know,

to calculate, to intervene and to master distant processes according to bodies of knowledge deemed true that characterises modern forms of government."

(Miller, 1990: 318-9).

Problematising Accounting and Government

The nature of accounting and its role in government provides the focus for the present study. It takes a particular view of accounting from recent accounting literature and applies this perspective and its associated methodologies to a particular topic in accounting - local government accounting - for the first time. It accords a significance to the practices of local government accounting which has not previously been recognised, partly because the significance of local government itself has been largely overlooked by political scientists and other theorists of government, as well as by accounting researchers. It is prompted by recent widespread and far-reaching changes in the operation of our modern welfare states in which accounting has been heavily involved, yet to which few accounting researchers have so far been able to bring to bear an approach appropriate to the changes' seemingly historic scale and scope.

The study draws on recent sociological work on the topic of government which emphasises the discursive nature of *practices* of government and their constitution and operation, rather than primarily administrative, political or philosophical approaches. As such, it does not regard specific discursive objects such as the state, the economy or institutions or practices of government (such as the law) as given, nor of government as being only concerned with such entities. Rather, it regards government as being about 'the conduct of conduct' :

"a more or less methodical and rationally reflected 'way of doing things', or 'art', for acting on the actions of individuals, taken either singly or collectively, so as to shape, guide, correct and modify the ways in which they conduct themselves (Foucault, 1988)."

(Burchell, 1996: 19).

The study's themes, theories and methodologies require a historical perspective and a certain approach to materials and sources, not in order to trace the 'development' of contemporary practices but to emphasize the discursive conditions necessary for their possibility. This approach enables us to challenge the apparent inviolability of current formulations of governmental problems and practices by showing how contemporary vocabulary (for example, the concept of efficiency) requires certain prior discursive formations, certain objects, subjects and 'ways of thinking', before it can become part of governmental discourse and the object of individual or collective action. Both the anticipated and the unforeseen methods and effects of the operationalisation of such concepts and vocabulary (for example, the way in which accountancy was able to become the basis of a professional expertise and the impact this has had) become a central part of the analysis. By analysing the historical conditions under which such concepts were able to emerge, we are better able to understand how they operate and on what otherwise taken-for-granted concepts, mechanisms and devices they depend. This understanding may help us to appreciate how alternative discourses of government or modes of conduct might be constructed.

The remainder of this Chapter therefore introduces and develops these themes and approaches in the context of government, accounting and local government as the three prime areas of focus and synthesis, and outlines how the remainder of the thesis proposes

to deal with them. It reviews a broad range of literature in each area to elaborate and substantiate the claim that the thesis represents a new and fruitful approach to the topic of local government accounting. Firstly, we should consider current debates about the welfare state and public expenditure.

It seems to be a very long time indeed since debates in the UK about public services were conducted purely in terms of how well particular courses of action would deal with particular social and economic problems. For over twenty years, for example since at least the IMF crisis of 1976, the British public have become accustomed to these discussions including, if not being dominated by, debates about the costs and financial consequences of governmental programmes (such as healthcare) as much as by the efficacy of these programmes in dealing with their proclaimed objectives. The 'control of public expenditure' has become an inextricable part of all governmental discourse (e.g. Wright, 1977; Heclo and Wildavsky, 1981; Hall, 1983; Harrison, 1989; Healey, 1990). Indeed, the efficacy of government itself (including objectives such as 'justice', 'liberty' and 'morality') has come to be related crucially to such concepts as efficiency and 'value-for-money' in the name of an apparently overwhelming moral imperative of accountability (Hopwood, 1984; McSweeney, 1988; McSweeney and Sherer, 1991; Munro and Mouritsen, 1996). Accounting has become a key resource for government in constructing and controlling its activities in compliance with these criteria, leading to a characterisation of the operation of modern government as 'management by accounting' (McSweeney, 1994).

During this time, public finances, fiscal policy and the need to control spending and borrowing have ceased to be a preoccupation of a handful of unknown civil servants and obscure academic economists. They have become instead a matter of individual concern and responsibility not only to the millions of people depending directly or indirectly on the reallocative power of government for their livelihoods, but to *every* worker wanting a job

or a pay rise, every family trying to maximise its opportunities, every sick and elderly person requiring social and health services. Everyone has been exhorted to recognise and apparently come to understand (if not always to accept in their own case) that 'there is only so much to go round', that 'extra public spending means higher taxes', that 'costs must be kept under tight control' and so on. Helped by the expertise of accounting, a whole range of semi-autonomous centres of responsibility have been set up in schools, colleges, training centres, hospitals, housing associations, prisons, leisure centres, depots, agencies, non-departmental public bodies and public corporations. A whole litany of exhortations can readily (if roughly) be recited: the State and its previously proliferating corps of officials must reign in their voracious and debilitating tendency to extend their control of the economy, society and individuals (e.g. Gray, 1989). The 'dependency culture' of welfare and the over-regulated sphere of the economic must make way for the more efficient, just and moral institutions of the market and an individualised civil society. 'Public' must give way to 'private'. The power of experts must be subject to the collective disciplines of financial and managerial accountability (controlled by a smaller group of expert accountants and managers) if an orderly society and economy is to survive and flourish. Power must be 'decentralised' into a whole range of new institutions, practices and programmes involving responsible, self-regulating citizens. The civil service must be dismantled and restructured. The power of elected local authorities must be curbed and their attitudes changed.

Under this rhetorical onslaught, government has been 'reinvented', restructured and reinvigorated with these assertions at its heart (e.g. Osborne and Gaebler, 1992). This language and its accompanying neo-liberal ideology and programmes have become of central importance to a large number of economically developed countries throughout the world, and through their agencies (such as the World Bank and the IMF), in many

developing nations also (e.g. Guthrie et al., forthcoming; Hood, 1996; Flynn and Strehl, 1996; Cook and Kirkpatrick, 1995).

How are we to understand this phenomenon? Shall we accept at face value that there is a defined limit to wealth and material resources, which, in combination with our cherished democratic norms and values (which guarantee fairness, justice and equity), results in us forgoing some of our own aspirations either in the interests of 'society', or at worst because we are powerless to do anything about it? Alternative action is especially difficult if, for example, tax reductions are apparently the will of the majority as expressed through their 'democratic' institutions. It seems that these difficult choices are inevitably the result of the economic 'facts of life' that a large number of governments throughout the world have had no option but to embrace; indeed, that it has been precisely these governments which have seen the 'writing on the wall' and acted accordingly?

Two particular sets of assertions are associated with what might be called this 'common sense' point of view: that this 'new liberalism' is associated with the emergence of a 'New Right' political movement, particularly in America and the UK (Pollitt, 1990), and/or that a 'fiscal crisis of the state' was inevitable if expectations continued to rise so much faster than resources (O'Connor, 1973). But neither of these assertions and their underlying rationales can provide an adequate and convincing understanding of the changes in modes of government which neo-liberalism has accomplished. Many aspects of these changes (such as public expenditure reductions) did not coincide with changes in governments, they can be linked to many political movements of very different outlooks. No relationship can be found between the adoption of these programmes and the economic performance of the countries concerned (Hood, 1995; McSweeney, 1996). The more radical perspective of a fiscal crisis enveloping all capitalist economies regardless of their detailed economic or political arrangements nevertheless assumes the prior existence and

functionality of a unity called the state (albeit with some 'relative autonomy'). In neo-liberal political philosophy, this is precisely that which has to be explained (Gray, 1989; Miller, 1990). Liberalism and neo-liberalism themselves have a number of internal contradictions towards both democracy and individual autonomy, as well as an underlying ambiguity about whether society viewed as the voluntary collectivity of autonomous and self-interested subjects is something which exists or which needs to be constructed, for example, through programmes of government (Hindess, 1996).

An alternative hypothesis - that 'nothing has really changed' - has some appeal if we take the achievement of some of the espoused objectives of the neo-liberal programme at face value. This kind of argument runs as follows: in the UK, for example, public expenditure remains around the same proportion of GDP (just over 40%) as it was when the Thatcher government came to power. Different areas of policy have changed in different ways and to differing extents, but in general there is a record of policy failure rather than transformation (Marsh and Rhodes, 1992a). Although some of the institutions of government have been restructured and 'externalised', there remain over half a million civil servants, with most of their ex-colleagues employed by executive 'Next Steps Agencies', continuing to perform the same roles as they did before. Privatisations have simply replaced public monopolies with private ones. Welfare spending remains 'out of control'. Local Government and the NHS continue to consume more resources than in 1979, even though quasi-markets and competitive tendering may have changed the composition of the workforce and restructurings have altered the patterns of services they provide. Citizens' charters and consumer rights campaigns have failed to shift the balance of power away from governmental institutions and towards the citizen. The New Right agenda has failed to achieve a transformation of the British economy through the increased investment and entrepreneurialism it was set to engender. Any temporary improvements are the result of

political manipulation following the debacle of the devaluation caused by being forced out of the ERM (cf. Pierson, 1994; Cutler and Waine, 1994).

Yet this analysis, though it may appear hard-headed (if not cynical), fails to do justice to our collective sense and experience that things *have* changed. These changes may or may not be directly due to the activities of 'the Government'. There is a wide academic debate about whether and how the perceived changes in the welfare state represent a *fundamental* break with the past (e.g. Burrows and Loader, 1994). But one of the things that has changed irreversibly is what can be called the *ethos* of government. We are experiencing a new 'advanced' version of liberalism that is different from its immediate predecessor of state-sponsored welfarism, yet which shares the latter's concern with problematising the question of how the practices of freedom and self-fulfilment can be made compatible with the ambitions of government. As such, its roots lie in the Anglo-Scottish liberalism of the nineteenth century, with its concern for morality and order but at the same time its wish to restrict government in the interests of liberty and economy (Rose, 1996). This is liberalism viewed as a *rationality* of government, as a set of reflections about *how* government can be accomplished in the face of apparently irreconcilable imperatives (Burchell, 1996:21). This perspective requires further elaboration to understand the role an expertise like accounting takes in solving these governmental problems and in constructing communities of self-governing individuals.

Analysing Accounting and Government

The nature and role of the state has long been the object of analysts of power. It is the state, however conceptualised, that is usually credited with the crucial agency in matters of government (cf. Jessop, 1990; Miller, 1990). But to spell out a distinctive way of analysing government that does not regard the State as necessarily the main instrument of

rule, and to define liberalism as a *rationality of rule* rather than a political philosophy or type of society is the stance followed in this study. In this conceptualisation, liberal rule was constructed out of a failure of the 'total government' doctrine of *police* (the assumption that the state was able to have an adequate and detailed knowledge of what had to be governed) to reconcile necessary market freedoms with the unlimited exercise of sovereign rule (cf. Hume, 1981; Foucault, 1991; Pasquino, 1991). The main characteristic of liberalism as a rationality of rule is its permanent scepticism about the state and *its* reason (Burchell, 1996: 22). The dilemma was that:

"Rulers are confronted, on the one hand, with subjects equipped with rights and interests that *should not* be interdicted by politics. On the other hand, rulers are faced with a realm of processes that they *cannot* govern by the exercise of sovereign will because they lack the requisite knowledge and capacities"

(Rose, 1996: 44, emphases in original).

The notion of police in English eighteenth century governmental discourse requires some clarification. The exemplifiers of the 'science of police' are generally understood to relate to certain mainly German, Austrian and French writers beginning in the sixteenth and seventeenth centuries, for example Obrecht (cf. Pasquino, 1991: 112-114). The doctrine is concerned at this time with attempts by sovereign authorities to secure prosperity through population growth coupled with an ethos of cheapness in administration (Oestreich, 1982). Some echoes of this can be found in Elizabethan England and in Hobbes.

Its roots, however, are in the Greek *politeia*, referring to all things affecting the survival and well-being of the *polis*, or city-state. In the seventeenth and eighteenth centuries the word was used in Europe as a synonym for government; for example:

"Police, in the broad understanding of the term, refers to all those measures in the internal affairs of a nation through which the wealth of the state may be more

permanently established and multiplied, the forces of the state better used and, in general, the happiness of the commonality promoted....

Police, in a narrow sense of the term, refers to all that which is required for the proper condition of civil life, and in particular for the maintenance of good order and discipline amongst subjects, and those measures which promote the flourishing growth of trade..."

(von Justi, quoted in Ludtke, 1989: 205).

It therefore has had strong connections with municipal administration (cf. de Lamare: 'the public order of each town'). Bielfeld (1762) distinguished between the police of towns and the police of country areas. Under public order and public health were included a whole range of local authority functions, for example, the inspection of butcher's shops and the paving and lighting of streets (Hume, 1981:33), or the police of the poor, of highways, of tranquillity and public order (Pasquino, 1991: 110). The Scottish Enlightenment, which developed the new discipline of political economy from the older discourses of oeconomy and police, came, for example through its advocacy of free trade, to be specifically opposed to the later doctrines of police as they were worked out in continental states¹. The latter led eventually to the centralised, secretive and authoritarian government in the nineteenth century we today associate with the term 'police state'.

It is usually argued that England did not have a strong tradition of police or cameralism as in the German states and, later, France and Prussia. But there is nevertheless, in England's long municipal traditions based around local administrative controls and innumerable Local Acts of Parliament regulating everything from markets and fairs to waste, curfews and paupers (Webbs, 1906 etc.), something akin to the aspirations of the 'police state' in its concern both for security and welfare. And in the English context, with its tradition of common law rather than the Roman law in use in continental countries, the subsequent tradition of individualism (Macfarlane, 1978) and absence of absolutist rulers, it may be that the significance and effect of the discipline of police is a particularly *local* government

phenomenon. It has not yet been analysed in these terms ² but such an analysis is of particular relevance to a study of English local government accounting.

In place of the police state, liberalism raises and addresses the problem of how to construct the individual discretion necessary for the institution of the market (and the corresponding limitation of the state's activities) to work, whilst still being able to govern those same individuals:

"Liberalism ... marks the moment when the dystopian dream of a totally administered society was abandoned" (Rose and Miller, 1992: 182; cf. Foucault, 1989).

Liberalism thus involves relating the rationality of government to "*the rationality of the free conduct of governed individuals themselves*" (Burchell, 1996: 23, emphasis in original). In short, this is achieved through the 'biopolitics of population' (Foucault, 1977, 1979), wherein disciplinary devices to construct 'governable people' such as schools, prisons and hospitals are related to strategies for comprehending and intervening in these domains: censuses, surveys, reports, programmes to influence reproduction, illness, poverty and idleness. Importantly for this study, this mode of government consists of both *political rationalities* and *governmental technologies* (Rose and Miller, 1992; Miller and Rose, 1990). Political rationalities comprise:

" the field of statements, claims and prescriptions that sets out the objects and objectives of government. Objects such as the 'economy' or 'society' are entities that have been constructed and made intelligible according to a particular way of thinking of them as an economy or society...This domain of rationales and reflections addresses questions such as what and how to govern, and what the principles of government should be. Attempts to govern an economy or a society take the form of a consistent succession of programmes, evaluations of the success or failure of one programme typically being

documented by reference to the supposed advantages of another programme"
(Miller, 1990: 317).

Technologies, on the other hand, are the techniques which make these programmes visible and thinkable and enable governmental activities to be carried out according to specific bodies of knowledge (Miller, 1990: 318-9 and above, *ab init.*). They facilitate one of the key requirements of government: that of linking the conduct of individuals and organizations to enable 'government at a distance' (Miller and Rose, 1990). In the process of making the governmental realm amenable to intervention, technologies create 'centres of calculation' (Latour, 1987: 232-247), where information about the people and places to be governed can be accumulated, assessed and translated.

In this study, local government accounting is regarded as one such technology constituting such centres of calculation and thus playing a key role in making modern government operable. Accountancy is regarded as a crucial expertise which facilitates and enables liberal government in all its historical forms to function. Accountants are regarded as being among those who argue for the use of these technologies to deliver liberalism's general programmatic aspirations. But the practice of accounting itself is not a given. It has been constructed out of a wide range of rationales, disciplines, technologies and practices, and its existence and boundaries have been made and remade over time. This fluidity itself becomes something to be explained, not in a teleological sense of how the presumed superiority of the present necessarily and inevitably came to succeed the past, but from the point of view of how various ensembles of governmental and calculative practices came to be stabilised together for varying lengths of time in a recognized occupational and cognitive enclosure, and how these ensembles split apart, reformed and were remade in other coalitions. The fluidity and fragility of these alliances, and the means of their transformations, requires a different kind of analysis than conventional history that is best

summed up by the phrase 'genealogies of calculation' (Miller and Napier, 1993). It is one such genealogy that is attempted here. Thus the traditional idea of the state as a monolithic promoter of repressive practices or instrument of control over civil society gives way to an idea of government as a complex network of actors, objects, ideas, places, technologies and institutions, many of which have no direct relations with 'the state' at all, yet contribute to government by acting on the actions of others.

This view of liberal government thus involves the invention of the ideas of *society* and an *economy* containing a collectivity of individualised and self-regulating subjects as the object of government and *expertise* as the means of governing it, thus creating liberalism as a type of governmentality (Foucault, 1991; Miller and Rose, 1990). In this way the 'will to govern' finds its expression 'beyond' the state (Rose and Miller, 1992). The state is regarded as the:

"*outcome* of the composition and assembling of actors, flows, buildings, relations of authority into relatively durable associations mobilized, to a greater or lesser extent, towards the achievement of particular objectives to common means"

(Rose, 1996: 43, emphasis added).

The state:

"can be seen as a specific way in which the problem of government is discursively codified, a way of dividing a 'political sphere', with its particular characteristics of rule, from other 'non-political spheres' to which it must be related, and a way in which certain technologies of government are given a temporary institutional durability and brought into particular kinds of relations with one another. Posed from this perspective, the question is no longer one of accounting for government in terms of the 'power of the state', but of ascertaining how and to what extent the state is articulated into the activity of government: what relations are established between political and other authorities; what funds, forces, persons, knowledge or legitimacy are utilised; and by means of what devices and techniques

are these different tactics made operable"

(Rose and Miller, 1992: 180).

Liberal rule was first supported by philanthropists but then by the 'truths' of economics, statistics, medicine etc and experts such as engineers, civil servants and bureaucrats. Later in the nineteenth century, the authority of expertise became linked to the formal political apparatus, as, for example, in the promotion of social insurance and welfare programmes, to transform the state into a centre that could programme and govern *through* society - a 'state of welfare'. But the extension of governmentality in this way created new problems of finance, morality and rights requiring new devices for governing. These new devices involved new encounters between expertise and the aspirations of citizens for their own civility, well-being and advancement. Thus there began a process of *degovernmentalisation* of the state which destabilised the practices of government and sought to relocate the experts in the market. This 'advanced' liberalism now seeks to govern through the regulated choices of individuals (Rose, 1996). This is how the discourse of 'controlling public expenditure' comes into conjunction with the discourses of individualised rights and obligations that appear to be so inimicable to central direction, yet which remain inextricably bound up with it. Both government and accounting are inherently failing operations: the unexpected or unassimilable aspects of one programme become the rationale for new programmes, just as the failure of one set of accounting calculations to satisfactorily capture and act on 'reality' leads to calls for new ways of calculating (Miller, 1992). Accounting as a technology of government shows its usefulness in facilitating local responsibility yet enabling the government at a distance characteristic of liberal rule to operate. This is how accounting becomes such a feature of 'advanced' liberal government.

Thus the differences between 'old' and 'new' liberalism can be characterized, for example,

in their respective views of the market in relation to the state and civil society. The classical liberal view of the market is as a 'natural' domain which sets a limit on the state's capacity to know and intervene, and of the difficulties and harm which may follow such intervention. By contrast, the neo-liberal realisation is that the market does not exist *a priori*, but can only do so given appropriate conditions that must be actively constructed by government. What both these versions of liberalism have in common is the way in which the existence or construction of a market, a non-state sphere of influence, not only limits but also rationalises government itself, since market freedoms will enrich the state by it governing less (Burchell, 1996: 22-3). In relation to self-governing individuals, neo-liberalism similarly requires them to be constructed or arranged as competitive entrepreneurs rather than relying on their natural, intrinsic inclination to be both self-interested and market exchanging. Thus the neo-liberal reforms of the Conservative government in the UK have been very inventive in providing 'guiding frameworks' such as the national education curriculum, yet at the same time requiring schools to instil an autonomous, entrepreneurial spirit into their governance which depends on new categories of managers and 'parent-consumers' (ibid.: 26-30).

Comparing this analytical framework to those which remain focused on the State highlights some of the key problems for the latter. Changes in the modes of operation of the State may be related to fundamental transformations in our societies and experience, but whether these are in fact fatal to at least the western humanist tradition confronted by postmodernism or post-fordism are hotly debated subjects at the close of the second millennium (cf. Lyotard, 1979/84; Habermas, 1988; Harvey, 1989; Giddens, 1990)³. For many writers proposing the present as more or less just another twist of modernism (revealing again its critical and self-reproducing dynamic), the neo-liberal 'turn' may represent an intensification of capital's reproductive capability and a further extension of its de-humanising rationality and technologies (e.g. Habermas, 1971). Other varieties of

state dominated explanations run into problems of explaining exactly how the state comes to constitute itself into a monolithic entity strangely separated from the domains it is presumed to control. This applies both to those kinds of explanation which regard the state as 'functional', either as a resolver of conflict or in reproducing capitalist economic order, or those which see the state as an integrator of territorial rule (Miller, 1990: 320-323). But those more modest commentators simply proposing *modernization* as an explanation of neo-liberal governmental reforms also fail to account for the prior existence of many of its elements, and many of its dysfunctionalities (McSweeney, 1996).

Those concerned with analysing these events in terms of the changing role of the capitalist state seen as an instrument of capitalist hegemony have been quick to observe the apparent contradiction between a programme which pursues the 'rolling back of the state' (and the 'empowerment' of private individuals as citizens/consumers) and yet which through its actions has actually *increased* the central power of the State (cf. Hall, 1988). The emphasis in this type of analysis is on the use of neo-liberalism as an ideology to bind these apparently incompatible elements together, and the tensions thereby produced (e.g. Laclau and Mouffe, 1985). But the analysis remains focused on the fiscal retrenchment of the State and on the repressive powers of e.g. Thatcherism to make this ideological 'fix' work. It does not consider the new devices and practices which operationalise the 'degovernmentalised' state and enable government to be achieved through newly (re)constituted 'free' but 'responsible' individual citizens - government regarded as a *positive* practice of "an inventive and constructive alignment of interests, powers, objects, institutions and persons" (Barry et al., 1996: 10 -12). It is this emphasis on the way government seeks to render itself technical, to insert itself into the world as a practice, and addresses the 'problematics of rule' as both political rationalities and technologies of government, that makes the kind of analysis utilised in the present study so fruitful as a way of understanding the role of accounting in government.

To summarise this view of liberalism and its mutations, Rose (1996: 44-60) identifies the following broad features (rough periodisations added):

Liberalism (18th and 19th century)

- 1) a new relation between government and knowledge;
- 2) a novel specification of the subjects of rule as active in their own government;
- 3) an intrinsic relation to the authority of expertise;
- 4) a continuing questioning of the activity of rule.

'The State of Welfare' (late 19th to late 20th century)

- 1) problems of governability of democracy solved by the 'socialisation of society';
- 2) new connections between 'public' norms and 'private' individuals e.g. social insurance and social work;
- 3) collectivisation and individualisation - freedom of both individuals and capitalist enterprise.

'Advanced' Liberalism (late 20th century)

- 1) a new relation between expertise and politics (e.g. audit);
- 2) a new pluralisation of social technologies (e.g. responsible citizens in self-governing communities - 'quangoisation');
- 3) a new specification of the subject of government - enhancement of the powers of the client as 'prudential' customer ('experts of themselves').

We now proceed to consider how recent accounting research relates to this analysis of accounting as a technology of government.

Accounting, Calculation and Power

Perceptions of the nature and scope of accounting in modern societies have also changed dramatically in the last twenty years. From long being seen largely as an essential but minor component of productive enterprise, representing economic facts to shareholders, managers and governments to allow optimal economic decision-making, accounting has come to be widely regarded as a social and institutional practice which plays a leading role in the construction of the languages, ideas, processes, relationships and institutions which constitute our images of society itself (Miller, 1994). Accounting has transcended the organisational frame of reference and the functionalist epistemologies which previously characterised it as a field of study, and now embraces a wide range of research agendas, approaches and theoretical frameworks.

These aspects emerge through a concern for the *context* of accounting: its social as well as organisational contexts, its role in shaping particular organisational and social arrangements (often in conjunction with other practices) and in particular, its role in the formation and reinforcement of relations of power. Thus social and institutional environments and symbolic and ideological elements receive more attention, including a focus on the role of professions and of economic policy and discourse. This outlook has opened a wide range of new research agendas and allowed a wider range of social science and other techniques to be deployed in accounting research.

This set of concerns is itself by no means homogenous, nor does it necessarily contain common philosophical, theoretical or methodological positions beyond certain kinds of opposition to the 'received wisdom'. Puxty identifies four broad groupings in this 'alternative' or 'critical' accounting research which reflect this breadth of analysis:

- the systems perspective
- hermeneutic/interpretist approaches
- the radical critique
- poststructuralism and postmodernism

(Puxty, 1993 *passim*).

Indicative examples he gives which explicitly rely on or discuss the theoretical positions of each group include Gordon and Miller (1976) and Flamholz et al. (1985) (systems perspective); Rosenberg (1989), Roberts (1989) and Nahapiet (1988) (interpretive); Hopper et al. (1987), Bougen (1989), Tinker et al. (1982) and Neimark and Tinker (1986) (radical); Hopwood (1987), Miller and O'Leary (1987) and Cooper and Puxty (1996) (poststructuralist). Of course, these categorisations require heavy qualification, not least because of their inherent reductionism, selectivity and lack of representativeness of authors' work. They are repeated here to acknowledge the breadth of approaches which is available without entering into a discussion of their relative strengths and weaknesses, which Puxty himself offers.

Although it is difficult to summarise common concerns of these positions, they each in their various ways stress the wider and deeper significance of accounting as a social and institutional practice with a focus of analysis well beyond conventional organisational boundaries (Burchell et al., 1980). One theme which seems to capture much of the critical accounting literature is the focus on accounting as a social and institutional *practice*, that is a view of accounting as an attempt to intervene, to achieve specific ends through change and transformation of persons, entities and institutions (Miller, 1994). This view of accounting is fundamentally opposed to the view of accounting as simply a passive representer of economic facts about an organization. Instead, it proposes that accounting

practices themselves literally *create* the costs and returns which are regarded as 'real' and require action (cf. Hines, 1988).

Miller (1994:2-4) identifies three complementary aspects of this approach:

- an emphasis on accounting as a technology, a means of achieving change by acting on the actions of others;
- a focus on the complex language and meanings intrinsic to accounting - its rationales;
- an attention to how the economic domain is constituted and reconstituted by the changing calculative practices that provide a knowledge of it (Hopwood, 1986, 1992).

Miller's analysis of recent accounting history similarly identifies the rise of interest in the context of accounting and its social and extra-organisational aspects. A further and additional perspective which is significant is the so-called new institutionalism (e.g. Powell and DiMaggio, 1991), which allows a view of accounting as a myth structure which aids the mimicking by organizations of societal perceptions of what counts as rational behaviour (Meyer and Rowan, 1977). A particularly important aspect of this perspective which bears on a significant part of this study is the role of professionalism in translating these dominant myths into legitimating and facilitating rationales of ways of organising, and the close relationship between professionalisation and state formation which give effect to government (Johnson, 1993). The extensive literature on professionalization is reviewed in Chapter 3 below, but the role of accounting as a professionalised expertise which allows liberal government to operate and governmentality to be 'installed' is one of the key themes of this study.

On this reading, the discourse and expertise of and around economic and accounting calculation has a much more complex set of interrelationships and effects than the traditional accounting research paradigm, even in its broader formulations, envisages.

Calculative practices are not simply the incremental development by theorists and practitioners of better ways of representing organisational processes. Instead, the forms of calculation available are shaped by and themselves shape particular social conditions, visibilities and relationships. There are varying degrees and types of relationships between calculation and other practices and discourses through which world views are transformed (e.g. Hoskin and Macve, 1986; Thompson, 1994). Different entities, institutions, apparatuses, devices and relationships are embodied in calculative regimes which allow the translation of previously incommensurable concepts and practices from one domain to another (e.g. Callon, 1986). Calculable individuals and spaces, such as the 'manager', the 'budget' or the 'division' are constructed by the calculative technologies of accountancy and brought into relation with other abstract spaces to allow the organization to be represented as a series of financial flows (Miller, 1992).

This visibility allowed the extension of the apparatus of power, for example by the construction of the 'governable person' through the technologies of cost accounting (such as standard costs and budgets, output targets and discourses of waste and efficiency) which could be translated into other areas of society (Miller and O'Leary, 1987). Certain important discursive elements are required before this process can proceed: accountancy must be made practical by operationalising certain of its key components such as a notion of the democratic corporate organization appropriate to a democratic polity (deriving from the work of Chester Barnard) and that of the rational and responsible individual decision-maker (Miller and O'Leary, 1990). These conceptualisations inhere with the wider rationales, programmes, values and ideals which highlight the reciprocal nature of relations between the dominant rationalities and technologies of rule (Miller, 1990, 1992). Thus accounting and calculation come to provide the surveillance and control previously exercised by authority figures such as the sovereign or the boss but which they become increasingly unable to do in person. Accounting with its rationales of efficiency and

probity and its apparently neutral calculative technologies allows government at a distance to take place over all forms of social life and potentially in all social domains.

Power and knowledge are thus inextricably and reciprocally related in ever-changing configurations which each provide the conditions for the other, and where both depend on a whole array of discourses, practices, apparatuses, relays, technologies and physical devices (e.g. Gordon, 1980). Accounting is both an outcome and a source of power simultaneously. It is constantly in progress, being made and remade. It helps construct and is constructed by world views and discursive practices which in turn operate by acting on the actions of others, by helping to define what can be thought and what done in particular contexts at particular moments in time. It offers opportunities (for example, to professionalizing groups) to construct, secure and exercise power through expertise, but yet to be subjugated and subordinated to particular versions of 'truth' or truth production practices which can be contested by others and ultimately constructed differently. It is not a matter of accounting 'developing' through expertise that produces successively better representations of the truth, but of understanding the content, power and disposition of discursive forces and their related elements, together with the possibilities they allow at any particular historical conjuncture⁴. Thus in this dual emphasis on the power effects of truth and the truth effects of power, and in the analysis of liberal government presented above, we begin to provide a framework in which to answer the question of how accounting, government and a political apparatus come to be linked together (Rose, *ab init.*).

It follows from this analysis that accounting as a practice cannot be taken as given. Its historical emergence cannot be seen as a lasting and readily identifiable event, any more than its current form, organization and content is permanent and its boundaries impermeable. We have to consider the relationship between calculation and other

practices, and how a set of conceptual and occupational enclosures labelled accounting came to be fabricated which took different forms and had different effects in the various sites and institutional matrices from which it emerged. So we now introduce the third and final component of this study: local government as one of the main arenas and locales in which accounting technology and liberal government come into conjunction.

Accounting and Local Government

Local government accounting is a specialized activity and interest for both accounting practitioners and researchers. Although a long-standing and always distinctive set of practices, it has been little studied or indeed commented on, except at times when the accounting arrangements for local authorities have suddenly become of particular prominence. This has happened at least twice in its long history (Jones, 1985b): in the debates over municipal expansion and municipal trading at the end of the nineteenth century (cf. Knoop, 1912), and again in the struggles over local expenditure which took place in the mid-1980s (Clarke and Cochrane, 1989). Historical research in this field has been virtually non-existent, although recently a few writers have begun to examine the extensive archive (Jones, 1986; Coombs and Edwards, 1992a, 1993, 1994, 1995). This neglect, though more pronounced in the case of accounting studies, seems to reflect a similar rather lacklustre interest among historians and political scientists for local government studies generally. Yet in the context of operationalising liberal government, it should occupy a pivotal place as one of the key sites within which liberal mentalities of rule come to be constructed; where individual self-governing citizens sceptical of the power of the state to tax them and interfere in their affairs are most likely to be needed if the liberal constraint on the power of the state and the entrepreneurial behaviour appropriate to the non-state domain of the market are to be realised. Part of the purpose of this thesis is to propose such an analysis, demonstrating that accounting has been a key

technology in installing liberal governmentality amongst the territorial communities of England and Wales. But local government studies have so far been preoccupied with other concerns.

The explicit study of the Local Government of England and Wales has a very much shorter and less diverse history than the local governmental institutions and practices themselves. Because of the thousand year history of the English unitary state, the role and responsibilities of local institutions of government have, throughout most of that time, been seen and discussed as though they were simply an adjunct to the prime parliamentary, legal and political institutions of national government. Local governments, even when the local voting franchise was extended beyond the local squirearchy, the learned professions and substantial farmers and tradesmen, were regarded simply as the local manifestations and agents of the legitimate will of the Sovereign or the sovereign Parliament. Indeed, until the end of the eighteenth century, it was only the role that local boroughs played in providing constituencies for and returning Members of Parliament that they attracted any academic interest at all beyond their immediate localities. A full historiography of local government studies (as against local government itself) has yet to be written, but it would need to look closely at how local government itself came to be regarded as a discrete object of study separate from ecclesiastical and manorial practices, and also to encompass a wide range of approaches, disciplines and perspectives. A brief review of some of the main approaches which have been taken is offered here, in order to provide a framework with which to locate and contrast the analysis of the role of accounting in local government which is developed in this thesis⁵.

Perhaps the earliest element of such a historiography that could be identified would be the interest shown by constitutional lawyers and historians in the legal practices of Justices of the Peace in local courts and Quarter Sessions (e.g. Lambard, 1581; Dalton, 1619; Finch,

1627). Later, early attempts were made to begin to codify and interpret the prolific and complex laws of the land as they related to local administrative practice (Blackstone, 1755; Merewether and Stephens, 1835).

In the mid-nineteenth century, the revolutions on the continent led to a search for durable constitutional models, and the English constitutional monarchy without a constitution provoked much interest, especially from the German lawyers Rudolph von Gneist (1816 - 1895) and Joseph Redlich (1869 - 1936). Gneist attributed what he perceived as the smooth working of the English system of administration to the voluntary participation of all social classes in government, including not only local squires and magistrates but also 'ordinary people' as jurists and parish officers. To this extent, Gneist's interpretation chimed well with the English romantic constitutionalists like Toulmin Smith (e.g. 1851) who were resisting what they saw as the centralising tendencies of public health reformers like Chadwick (e.g. 1879). Redlich and his English assistant Hirst (1903), on the other hand, could not accept that what they saw as the progress of municipal government in the nineteenth century with its reforms, extensions of the franchise, greater range of services and improvements in living standards could be considered retrograde. These benefits, they argued, were due to the full application of the principle of representative democracy to local government (Keith-Lucas, 1970).

These essentially legal debates provided the foundation for the long domination of the 'public administration' model for local government studies (cf. Self, 1972; Dunsire, 1973; Rhodes, 1988). This perspective focuses:

"on the institutions, organisational structures and decision implementation processes of government. It is a largely 'formal' field, concerned with arrangements and procedures for making decisions, rather than with the substance or impacts of these decisions. It is also a relatively micro-level subject, often concerned with description

rather than macro- themes or large scale theorizing. Finally, it is an area which is quite largely 'applied' and closely linked with practical problems and practised solutions."

(Dunleavy, 1982; quoted in Rhodes, 1988:16).

Although mostly used for a wide range of studies of national and hence central government, this approach was applied to local government throughout the late nineteenth and twentieth centuries (e.g. Vine, 1879; Gomme, 1886; Spencer, 1911; Robson, 1931; Laski et al., 1935; Smellie, 1937, 1946; Wilson, 1948; Keith-Lucas, 1952). Only the paucity of interest in local government *per se* resulted in so few such studies.

On Dunleavy's definition, we would have to include under a 'public administration' approach what remains the definitive work on the historical origins and operation of the institutions of English local government from 1689 to 1835: the Webbs' (1963). Unlike Gneist, Toulmin Smith and Redlich and Hirst, they were not concerned with theories of the state or its legal niceties, but with how the institutions of local government actually worked. Their main theoretical aim was to elaborate their view of parishes and municipalities as co-operative 'associations of consumers', in contrast to the 'associations of producers' constructed by the early nineteenth century reforms and leading, they believed, to the adverse centralising tendencies of their time. What still distinguishes the Webbs' work, and has many resonances for current theoretical concerns, is their use of primary local authority sources (the minutes and files of the authorities themselves, rather than the medieval Charters and legal text books largely used by their predecessors)⁶, together with their novel interest in the numerous ad-hoc bodies created by Private Acts yet responsible for a wide range of services (bodies such as Improvement and Pavement Commissioners, Incorporated Guardians of the Poor, Turnpike Trusts, Drainage Authorities etc.).⁷

Criticism of the 'public administration' perspective as a means of studying government arose from its failure to consider the social, economic and political context of governmental structures and processes. Stemming apparently from a nominalist interpretation of the legal foundations of government (and perhaps the parallel and apparently inexorable increase in the tendency towards centralisation), public administration studies became fixated with the relationships between central and local government (cf. Bulpitt, 1983). Much of these discussions took the form of argument about which functions or services are best performed by which tier of government (for example, central, regional, county, or district), and what the optimum size and powers of these governmental bodies should be. These debates have come to prominence at various times since the early nineteenth century, most notably in the era of reform at the end of the 1960s and early 1970s (Cochrane, 1993). But they continue in modified form in some of the neo-liberal discourses around the 'new public sector' constructed in the 1980s (e.g. Rhodes, 1988: 20 -30). In addition to the 'New Right' advocates of minimum government, there continued throughout a 'public administration' strand of enthusiasm for local self-government which in some respects echoes Toulmin Smith and the Aldermen and Burgesses of the reformed Municipal Corporations. Most recently, this cause of 'local choice' has been championed by Stewart and his colleagues (e.g. Stewart, 1983; Jones and Stewart, 1983).

But the focus on institutional relationships and formal decision processes not only oversimplified the workings of government (e.g. by defining the 'centre' as some kind of discrete bureaucratic entity readily contrasted with the 'local'), but seriously neglected the role of politics and interest groups. Marxist-inspired analyses of urban politics began, in the 1970s, to highlight the role of the 'local state' in reproducing labour power and allowing capitalist accumulation to take place (e.g. Cockburn, 1977; Dearlove, 1979; Saunders, 1980, 1981; Duncan and Goodwin, 1982, 1988). These analyses placed great

emphasis on the role of interests and local politics in struggles around investment and consumption, leading to a wide range of new interpretations of and prescriptions for a new urban politics (e.g. Gyford, 1976, 1985; Dunleavy, 1980; Boddy and Fudge, 1984). The centre-local relationship was seen as far more complex than the public administration approach suggested, involving, for example, the recognition that many changes in functions and services had been initiated by local authorities themselves rather than being 'handed down' from the centre (Cochrane, 1993). Variations in local services and levels of development were to be expected and even welcomed (Duncan and Goodwin, 1988). The centre-local conceptualisation concealed competitive policy networks of both local and central interests, and a wide range of 'sub-central' bodies and institutions in addition to elected local governments (Rhodes, 1988; Marsh and Rhodes, 1992b). And yet, somehow, at the end of the 1980s, interest in urban politics largely subsided again following the defeat of the poll tax or community charge and Mrs Thatcher's resignation (Cochrane, 1993).

Studies of urban politics during this period were not confined to current activities. A strong line of historical studies began to focus on urban history and its politics (e.g. Briggs, 1963; Dyos and Wolff, 1973; Hennock, 1973; Fraser, 1976). These studies highlighted an important link between the topical political debates about struggles over services and consumption in local government with issues of social policy and the welfare state. The neglected significance of local government as an object of study was resurrected on the basis of its growing share of public expenditure in the post-war period and its role as service provider for many of the key services of the welfare state. Even though many of these, such as social security, public utilities and the National Health Service, were at various times taken out of local authority control or were never directly subject to it, the rise in scale of old and demand for new services meant that local government again reflected its previous predominance of the later nineteenth century (Roberts, 1960; Fraser

1973; Marshall, 1975; Cochrane, 1993). Historical studies of single services such as education, housing, public health and the Poor Laws, and significant historical figures (such as Lewis, 1952, on Chadwick) significantly extended the local government literature, though without necessarily enhancing its theoretical base.

Throughout all these studies, the topic of financial resources for local government was never very far away but did not assume any dominance until the mid -1970s. Prior to this period, it is difficult to find any adverse or even specific comment on local expenditure levels since the early years of the century. Conventional wisdom has it that the 1973 oil crisis caused or at least precipitated pressure on local public expenditure in Britain. This turned into a determined attempt to reduce it following the election of the Conservative Government in 1979. We have already noted the problems with assuming that any particular level of public expenditure leads in itself to reformist programmes (Sharpe, 1981; McSweeney, 1996). But in the arena of political discourse, economic 'facts' take on a life of their own as ammunition for a wide range of theories which themselves either contribute to or become co-opted to serve political or ideological causes. So the arena of local government expenditure and taxation provided part of the case on all sides of the argument about whether and how local government should be reformed (and which can also be detected in Victorian discourse about the role and scope of local government)⁸.

In the post-war period, these debates resurfaced during the era of local government restructuring in the late 1960s and early 1970s, and continued into the 'crisis' of the mid 1970s, partly induced by 25% rises in rates (local taxes) caused by the results of the 1974 local government reorganisation (Travers, 1986). This period was characterised not only by restructuring but also significant changes in the financing of local expenditure as it relied more and more on national grants, which then began to be reduced (Burgess, 1980).

Again, the rise in interest in local expenditure coincided with a number of historical studies (e.g. Bellamy, 1988), but as with local government generally, there had long been a small number of historians exploring these specialised domains (e.g. Goschen, 1972; Canaan, 1912; Roberts, 1931; Hennock, 1963). Both the 'public administration' and the 'local politics' approaches in the 1970s and 1980s produced a range of publications (e.g. the Committee of Inquiry into Local Government Finance (the Layfield Committee), 1976; Newton and Karran, 1985) which complemented wider criticisms of high or low levels of public expenditure generally (e.g. Galloway, 1976; Hall, 1983) and their accompanying theoretical justifications (e.g. Bacon and Eltis, 1975; Gamble, 1981; O'Connor, 1973; Habermas, 1976; Offe, 1984). These debates bring us back to the public expenditure discourse with which this Chapter began. But debates about the nature and role of accounting appear as the means of 'control' began to be discussed, both in Victorian and in contemporary debates⁹, and it is notable that accounting as a technology of control was both significantly more elaborated and has been more emphatically employed in local government than in any other part of the UK public sector. This thesis will explore the way in which this happened.

A general conclusion from this review is that local government and urban/territorial politics has long been a specialized interest of writers on the constitution, administration, public finance and politics, but at certain times this discourse has assumed a prominence that belies its normal supine condition. In this thesis, two periods of prominence will be explored - firstly, the great period of Victorian municipal enterprise and professionalisation, and secondly, the more familiar recent period of 'reforming' the welfare state. In both cases, discourses about finance will form part of the background to the role of accounting in local government. But in between, and indeed prior to, these periods, the technology of calculation and accounting did not disappear, and it will be proposed that its role in conditioning the way in which government was conceived and

conducted was more significant than any of the literatures we have considered in this Chapter would suggest.

Outline of Thesis

Briefly, this thesis is concerned with developing a novel view of accounting in local government. It is a view in which accounting has no necessary essence, yet which from time to time and in diverse ways, has been influential in constructing the ideas of local governments, democracy, professionalism and responsible citizens necessary for liberal government in all its phases to operate. This influence and the way in which it has mobilised itself through the construction of centres of calculation has not previously been explored or acknowledged. It is a synthesis which has not previously been attempted, even though many elements of accounting and social research have been developed and applied to some related topics. In the light of the discussion above and for reasons which will be elaborated in Chapter 2, it considers a number of interlocking themes and historical periods. Chapter 2 therefore sets out the epistemological and methodological issues surrounding the study. It considers the field of accounting history in relation to general history and historical methods, and elaborates the methodology used in this thesis. In accordance with the discussion above, it then takes a particular historical period - roughly around 1800 - at which time the calculative practices of local government were not organized around accounting and accountants as they are today, but were more diverse and diffuse. They nevertheless had powerful effects on perceptions of government and governmentality through the techniques used, for example, to conceptualise and administer the Poor Laws. The Chapter concludes with an analysis of some of these effects.

Chapter 3 considers the period of the expansion and extension of municipal activity in Britain - from the period of the Royal Commission on Municipal Corporations Report of 1835 through to the Liberal Government's reforms of education and particularly social insurance immediately before the first World War. This period coincided not only with the rapid expansion of the welfare state (in which local authorities, particularly in urban areas, often provided the stimulus and the rationale as well as the operational capabilities needed to administer the new services), but with the period of widespread professionalization and the rise of 'professional society' (Perkin, 1989). It was also the era of civic pride and municipal enterprise, as for example in Chamberlain's Birmingham (Briggs, 1963). In this period, accountancy established itself as the basis of a professional occupation, and later, the local government accountancy profession also. This Chapter reviews the literature on professionalism and considers the basis for this professionalization of accounting in local government, particularly by contrast to the national Civil Service which apparently continues to resist outright professional specialization, except perhaps (in more recent times) the attitudes and techniques of a certain kind of managerialism.

Chapter 4 considers how the 'state of welfare' has given way to 'advanced liberalism' and what role local government accounting professionals have played in this. A particularly important topic for accounting in general and local government accounting in particular has been the definition, recognition and treatment of capital assets, and, until 1995, local authorities continued with distinctive accounting practices established in the Victorian period which were sharply divergent from those of other types of organization. This divergence has been the source of sporadic controversy for over a hundred years, and the final introduction of significant change can be seen as an important part of the process of introducing neo-liberal governmentality into local authority communities. The Chapter traces these debates and considers their impact from the point of view of liberal government, including a review of the accounting literature dealing with this topic.

Recognising a wide spectrum of criticism of current accounting practices and their effects, Chapter 5 considers what basis their might be for alternatives, and how these might come to be constructed. Reviewing the social accounting literature and the particular techniques of social and environmental audit, the Chapter suggests some ways in which new kinds of accounting discourses and practices might be constructed which could provide the new versions of governmentality. These will undoubtedly be needed as the liberal mode of government again comes to defines large portions of the population and territories as beyond its reach.

Chapter 6 considers the discussion and findings of the previous four Chapters and relates them back to the themes of Chapter 1. It assesses the extent to which the nature and role of local government accounting can be considered as a governmental technology which has played an important role in instilling liberal mentalities of rule into local communities. The extent to which the notions of translation, centres of calculation and action at a distance are meaningful in relation to this process, and how useful they can be, are considered. It also considers the implications of such an interpretation for current accounting practices (and the accountancy profession) and their role in the 'new public sector' created by recent neo-liberal reforms. This reflection seems to be necessary when considering the contribution the research has made to a new perspective on local government accounting and what further research would be needed to develop and consolidate the conclusions or to take the analysis into different fields.

NOTES

¹ The close relationship between police and political economy can be seen in, for example, the derivation of the English word 'policy' from 'polizei' (the science of police), from works such as Adam Smith's *Lectures on Justice, Police, Revenue and Arms*

(1762-64) and in the related field of political arithmetic (for example, as derived from the work of William Petty (1623-87) at the Treasury). The latter also had close affinities with continental administrative reform in the eighteenth century through the works of such as Bielfeld, Turgot and Necker (Hume, 1981).

² But see Osborne, 1996:101-7.

³ This debate is too extensive to be adequately summarised here. It is raised only to help identify what might loosely be called the post-structuralist orientation of this study (cf. Puxty, 1993; Arac, 1988; Mandalios, 1996).

⁴ This argument is developed further in Chapter 2.

⁵ It is the main assertion of this thesis that as yet local government accounting has not been subject to an analysis which places it as a central technology in operationalizing liberal government defined as a rationality of rule (Rose, 1996). Nevertheless, its general importance to various modes of 'central control' has been acknowledged by both the public administration and the local politics/local state perspectives (see the discussion which follows). But only one other study (Jones, 1986) has considered the topic in detail from an accounting viewpoint, and this concluded with an endorsement of a narrow 'financial control function' as the main role for and reasons for change in local government accounting (see Chapter 2).

⁶ The epistemological implications of this kind of methodology are discussed in Chapter 2.

⁷ The current characterization of the 'new public management' of the 1980s and early 1990s (Hood, 1991) includes as a distinguishing feature the creation of numerous joint boards, special authorities and voluntary trusts which have been the subject of much comment, not least concerning the apparent advantages of a certain amount of local autonomy (albeit constrained by imposed national requirements such as expenditure controls and service specifications) compared to a perceived loss of overall programming capability and higher transaction costs. See Chapter 4 for a review of some of this literature.

⁸ See Chapters 3 and 4

⁹ Professionalization projects and rivalries were also an important part of debates about local government in both periods - Chapter 3 and 4.

Chapter 2: Approaches to Accounting History: Accounting and Local Government in England circa 1800.

This Chapter describes the methodological approach used in this study and its rationale. This approach is then used to demonstrate how a new perspective on local government accounting could be developed, focusing on the period around 1800.

"...to history has been assigned the office of judging the past, of instructing the present for the benefit of future ages. To such high offices this work does not aspire: it wants only to show how it actually was" (Ranke, 1824: i).

" History is a shifting, problematic discourse, ostensibly about an aspect of the world, the past, that is produced by a group of present-minded workers (overwhelmingly in our culture salaried historians) who go about their work in mutually recognisable ways that are epistemologically, methodologically, ideologically and practically positioned and whose products, once in circulation, are subject to a series of uses and abuses that are logically infinite but which in actuality generally correspond to a range of power bases that exist at any given moment and which structure and distribute the meanings of histories along a dominant-marginal spectrum" (Jenkins, 1991: 26).

Windschuttle, K. (1994), *" The Killing of History: How a Discipline is being Murdered by Literary Critics and Social Theorists"*, Sydney, Macleay Press.

History is not what it used to be. The common sense usage of history as 'the past' has long been superseded by a meaning embodying historians' enquiry into that past and their attempt to produce an interpretation or reconstruction of it - 'history' is actually historiography . The term 'historiology' - historical science- has disappeared from use (Novick, 1988: 8n). The past may have happened, but whether, to what extent or in what

ways we can have any valid and reliable knowledge of it is the root of current discussion and disputes. The past-history distinction avoids many philosophical disputes about the nature of historical truth and is necessary in opening the way to considering history as discourse, but it also raises fundamental questions of epistemology, methodology and ideology (cf. Lloyd, 1986).

The sense of the past as something that 'actually happened' yet is not immediately available for inspection and interpretation, provided a basis for constructing history as an academic and professional discipline, inspired by the nomological endeavours of the natural sciences in the eighteenth and early nineteenth centuries (cf. Carr, 1963; Elton, 1967; Marwick, 1970; Tosh, 1984). 'History as science' in the writings of, for example, Comte and Hegel provided the metaphor and the methodologies driving early modern historians and provided support to the idea of history as progress, based on modern and totalising conceptions of time, periodization and causality compared to the more static and voyeuristic perspectives of earlier historians such as Gibbon and Voltaire. The familiar concept of modern meaning 'better' came into use in the seventeenth and eighteenth centuries and distinguished the current age from its predecessors, the Middle Ages (Marwick, 1986; Appleby et al., 1994).

Whether descended from Ranke's empiricism or from the objectivism presumed from the scientific model, history as a profession parted company from philosophy and theory. By 1900 the first session of the First International Congress of Historians was opened with the following assertion:

"we want nothing more to do with the approximations of hypotheses, useless systems, theories as brilliant as they are deceptive, superfluous moralities. Facts, facts, facts - which carry within themselves their lesson and their philosophy. The truth, all the truth, nothing but the truth" (quoted by Novick, 1988: 37-38).

Nevertheless, despite this aversion to 'theory' which persists among many historians (cf. Elton, 1967: 52-56), historical interpretation in the West in the twentieth century has broadly organized itself into three main schools: Marxism, the Annales and the Modernization school, deriving from three social theorists, Marx, Durkheim and Weber respectively. Although the three schools were distinctive in their methods and focus, they shared some common characteristics:

"All of this work rested on the principles that had evolved since the mid-nineteenth century: a modern, scientific history could incorporate every place on earth into one secular universal story with the aim of understanding the patterns of development. Even though most individual historians no longer aimed to tell the whole universal story themselves in the manner of Hegel or Marx, history as a discipline depended on the belief that professional historians were writing pieces of that story. Getting the story right would help push forward the process of modernization (and progress) itself."

(Appleby et al., 1994: 88).

For a range of disputed reasons and with origins sometime in the 1930s in France and Britain (Stone, 1981), adherence to this historical project began to break down. History began to include a wide range of social and cultural concerns which had previously been the province of other disciplines. The new social history comprised both increased specialization and new methodological perspectives based around quantification. Science itself came to be seen as having a historicity of its own. The 'democratisation' of the university brought in groups - workers, immigrants, women, gays - who saw little trace of themselves or their ancestors in their 'national' history. So history was found to be heavily implicated in the production of national identities and the power relations inherent in them - it was a 'white mythology'. The very diversity of social history led to a questioning of historical objectivity. Cultural history and interpretive methods then became influential and traditional narrative methods of representation in both history and literature came under

critical scrutiny. The relationship between past and present became pluralised, relativised and seen by some as illusory. History came to be seen by some commentators as a certain form of fiction or myth which could tell us nothing more about 'the past' than any number of different acts by present creative imaginations. Language itself and the constitution of the human subject and its agency became problematic. Some postmodern readings postulated the 'disappearance of history' (Baudrillard, 1988). Influential figures in this 'end-of-history' story are seen to be, for example, Kuhn, Thompson, Derrida, Althusser, Foucault and Geertz whether or not these authors were consciously or otherwise engaged in such a project (Derrida, 1981; Himmelfarb, 1987; White, 1987; Novick, 1988; Simpson, 1988; Young, 1990; Ermath, 1992; Appleby et al., 1994).

Not surprisingly, even the philosophical uncertainties posed to history by postmodernism have been given different saliency in different contexts. Similarly, the historian's alleged aversion to 'theory' partially reflects different versions of 'what matters' in history as well as how to 'do' it. American historians have different concerns as well as different histories than those from Europe or elsewhere. In Britain, the historian academy is said not yet to have come to terms with the implications of many of the arguments outlined above:

" For the most part, British historians remain a stolidly untheoretical lot; and many of them have yet to experience the epistemological doubts which have afflicted their American colleagues. Neither has the challenge of multiculturalism and the ethnic minorities so far provoked much of a response from the writers of the nation's history. But cultural lag does not last forever ..."

(Thomas, 1994).

So is it possible to 'do history' in a postmodern world? This seems partly to depend on the extent to which the traditional canons are perceived to be under threat. But even those historians who perceive there to be a fundamental challenge to the idea of history seem

unwilling to abandon their profession, prompting some commentators to speculate that postmodernism itself is just the "last great gambit of capitalism to [try to] defeat opposition, contestation and change" (Widdowson quoted in Jenkins, 1991: 67. See also Jameson, 1981; Harvey, 1989; Calhoun, 1993).

One form of accommodation put forward, following Barthes (1987), is to adopt a two pronged approach: to adopt an appropriately reflexive methodology, acknowledging the past-history distinction and conducting detailed historiographical studies of previous and current histories to examine their methods and content to arrive at a self-consciously held position; and secondly selecting a content appropriate for this practice, i.e. a content that helps us understand our postmodern present in terms of the history it has produced and is partly produced by: a series of 'histories of the present' (Jenkins, 1991: 68 -71) (see Barry et al., 1996). But, naturally, many other approaches are offered which recognise the difficulties posed by postmodernism (e.g. Derrida, 1981; Bhaba, 1983; Spivak, 1985; Rorty, 1986; White, 1987; Calhoun, 1993; Appleby et al., 1994).

One particularly important aspect of this general debate which is highly relevant to present accounting history and which should be mentioned here is the extent to which Foucauldian-inspired work can or needs to be regarded as postmodern. Without rehearsing the arguments about what postmodernism is or might be (e.g. Lyotard, 1979/1984; Habermas, 1988; Giddens, 1990), the issue here is whether, *whatever his intentions*, Foucault actually produced what might be regarded as 'postmodern history' (with all the ambiguities and caveats around that term) or whether his work is better seen as a critique of modernity (and hence as having more in common with neo-marxist 'new' history) which may represent an important route towards postmodernism but stops short of it. Although claimed as an adherent by some postmodernists, there is a familiar debate

around Foucault's 'ambiguous' stance towards postmodernism (Baudrillard, 1977; Lyotard, 1979/1984: 25-6; Hoy, 1988; Calhoun, 1993: 83-5). His critique of modernity, drawing attention to power/knowledge relationships, the repressive nature of modernity, discontinuities, chance, the decentering of the subject and the aimlessness and uncontrollability of history (in contrast to its teleological nature explicitly or implicitly presumed by historians), nevertheless seems still to produce 'metanarratives' and hence a version of teleological history:

"despite Foucault's emphasis on diversity and historical chance, it is difficult, on the basis of his 'empirical studies', to avoid the conclusion that contemporary society is subject to the inexorable logic of quantification, examination and classification as techniques of surveillance" (Turner, 1985: 200; quoted in Stewart, 1992: 64).

If, by contrast, we take Foucault's work as an example of a relativistic history whose "distinguishing feature... is the 'radical questioning about the hermeneutical relationship of past to present'" (Stewart, 1992: 61) and which is also "antidisciplinary, standing outside all disciplines and drawing from them only in the hope of undermining them" (Megill, 1987; in Stewart op.cit.), then we might be tempted to place him closer to avowedly postmodernist positions. But despite claims and accusations from historians (e.g. Tyson, 1990, 1993, 1995), commitments to 'facts' (albeit not regarded in a scientific-positivist way) and certain elements of narrativity (White, 1987) still seem to be present (Stewart, 1992; Funnell, 1996). This carries dangers concerning the temptation to make or imply claims to superior insight into a 'reality' if not an objectivity which, although fractured, hidden and pluralised, 'exists' in some (or many) ways which only certain methods or approaches (e.g. genealogy) can uncover (Windschuttle, 1994). It is partly this tension which has contributed to attacks on Foucauldian studies from traditionally-minded historians. But ironically Foucault may yet be seen to have more in common with them epistemologically if not ideologically than with the postmodern 'anti-realists'.

But the whole debate raises the questions of to what extent and in what ways the historiography of history has affected more specialized disciplines such as accounting history which adopt methods and make knowledge claims derived from history's perceived legitimacy as an academic practice.

The Historiography of Accounting History

Accounting history has largely grown up under the protective shadow of accounting itself rather than being an interest for professional historians. Until long after accounting as a profession became established in the mid-nineteenth century (see Chapter 3), historians, even those beginning to attend to what became known as economic history, paid little or no attention to the bookkeeping practices of government or business enterprises¹. It is perhaps not surprising that history should be used firstly by early accounting writers and later by a newly established accounting profession to elaborate and thereby strengthen the legitimacy of its claims much as history has been used to legitimate nations (Appleby et al., 1994) - using 'the past as status symbol' (Carnegie and Napier, 1996). We might therefore expect professional accounting histories to begin to emerge once the institutions of professionalism, including those within the academy, had established themselves. And this indeed seems to have been what happened.

The discipline of accounting history effectively dates from the late nineteenth century with works such as Worthington (1895), Haskins (1904) and Brown (1905), all of whom were involved in the accounting profession; however, these early studies did not constitute the establishment of a recognised discipline - "consistent, institutionalized academic attention is of more recent origin" (Previts et al., 1990a). But even as a specialist field within accounting, accounting history seems to have had to struggle for its own recognition, and

many texts on accounting history have addressed the question of why it is a worthwhile object of academic enquiry (e.g. Solomons, 1952; Stacey, 1954; Littleton and Yamey, 1956; Goldberg, 1974; Parker, 1981; Zeff, 1982; Previts et al., 1990a). Carnegie and Napier (1996) provide a brief historiography of the justifications given for accounting history from Haskins (1904) to the American Accounting Association's Committee on Accounting History (1970), the latter of which coincided with the first world congress of accounting historians.

The justifications provided in these texts tended to focus on both intellectual and utilitarian concerns, as summarised by the Committee on Accounting History (Parker, 1981; Previts et al., 1990a; Carnegie and Napier, 1996). These focus on the processes of accounting change and what 'lessons' can be learnt from them which will help to solve contemporary problems and predict the consequences. These pronouncements draw attention to the problem posed by the coexistence and conflation of 'the past as status symbol' with the separate discussions about the utility of accounting history, since the former tends to emphasize the long and allegedly progressive history of accounting and thus brings it into apparently seamless conjunction with the developments and improvements we seek today. Thus at least until the 1970's, accounting history tended to reflect a view of history as a narrative tracing the origins and 'development' of the self-evidently superior ideas and practices of the present. In that respect it followed the scientific and unitary traditions established but by then rejected by 'mainstream' history (Stewart, 1992: 58-61; Funnell, 1996: 43-5; Cooper and Puxty, 1996).

Accounting history thus tended to seek the origins of those current *forms* of accounting which seem to have had long and (presumably, therefore) 'distinguished' histories and which have hence 'proved' to be 'fundamental' to accounting practice, notably double-entry bookkeeping, but also 'costing' (Solomons, 1952; Garner, 1954). In its focus on

changes in the forms of accounting, accounting history was apparently unable or unwilling to follow the social and economic historians' approaches of studying a wide range of potential influences and phenomena, although the influence of these approaches were soon to appear elsewhere in the accounting literature (e.g. Hopwood, 1983; Burchell et al., 1985). Accounting history at that time also seemed to exhibit strongly the historians' alleged aversion to 'theory', leading to a failure to consider the historiography of its own inquiry (Hopwood, 1981).

The growth of accounting history and its specialised methods and concerns also attracted criticism from more traditional historicist perspectives. It was argued, for example, that in order for the discipline to claim the title 'history' as against being regarded as mere 'antiquarianism', it should be concerned with selecting facts which contribute to a significant theme and seek clear formal causal relations between fact and interpretation and between past, present and future. Accounting history allegedly failed to meet these criteria because studies of the origins of double-entry bookkeeping, for example, have no relevance or lessons linking it to current issues (Lister, 1984). This view of history, however, itself harks back to the scientific interpretation mode which preceded the advent of social and cultural histories in the 1960s. It rejects accounting history on the basis that the studies then available failed to find a modern relevance for the field, but defined relevance entirely in terms of current concerns such as accounting for decision-making, which up until the late eighteenth century formed no part of the function of accounting. Thus Lister's critique repeats many of the problems experienced by 'unitary' history: judging and interpreting the past in terms of present concerns and concepts. It ignores the social contexts and significances of accounting in the past, and its historiography (Hopwood and Johnson, 1986).

Apart from history written by accounting specialists, some notable economic and social

historians in the twentieth century have considered some aspect of accounting in relation to themes of their own, notably Sombart (1921), Pollard (1965) and Braudel (1979). More generally, other non-accountants have studied accounting records as part of an emerging discipline of business history (Mathias, 1993), though some economic historians in particular have been critical of this field (Carnegie and Napier, 1996). Professional accounting firms have commissioned their own histories and/or employed expert archivists (see e.g. Jones, 1981, 1995). And in these examples and in business history generally, historians have tended to adopt methods and approaches reflecting the contemporary changes occurring in the historians' discipline towards economic, social and quantitative means of analysis.

This broadening of interest and the increased awareness of the need to study accounting in its social context which was felt in the late 1970s and early 1980s produced a wide range of more contextual historical studies. It opened up a vast array of topics and areas for accounting historians which, on the face of it, offer a far broader approach to context than the 'Littleton School' (Johnson, 1986), (e.g. Mephram, 1988; Cooke, 1991; Lee, 1990). Yet this recent accounting history has not accommodated multiple perspectives and the history-as-discourse approach, let alone postmodernism. It remains to its critics largely ahistorical, positivist and ideological (Stewart, 1992), or traditional, empirical, realist and narrativist (Funnell, 1996).

Previts et al. (1990a), for example, continue to characterise history as being either narrative or interpretational (that is, concerned either with factual description or explanation). They develop a justification of accounting history based on its usefulness for pedagogy, policy and practice (that is, current policy and practice). Although they recognise the limitations of historical enquiry and acknowledge the wider debates, they nevertheless fail to engage with their implications, leaving these to "separate study in the

future" (p9). Meanwhile, they develop an approach geared towards causal *plausibility*, taking account of contextual factors. In a subsequent paper (1990b), they develop an accounting historiography and discuss methodological issues based on this perspective. In particular, reflecting a previous 'turn' in 'mainstream' history, they propose a greater emphasis on quantitative methods or cliometrics (p147). The result, however, fails to offer any 'interpretational' rationale for why accounting history has taken the form and trajectory that it has. In addition, it fails to problematize the object of its enquiry: *accounting itself*, seeming to regard it as a recognisable discipline or subject whose presence or absence can always be ascertained even if there is doubt about exactly what form it is taking. This stance seems to be the basis of a large proportion of recent prominent accounting history narrative (e.g. Edwards, 1989; Parker and Yamey, 1994; Fleishman and Tyson, 1993).

The contextualisation of accounting is not a new phenomenon (e.g. Scott, 1933), and was indeed called for by Littleton himself (1933) in order to show how accounting had responded to societal needs. But the contextualization called for by accounting writers in the 1980's had a different purpose than Littleton: to develop *different* understandings of accounting rather than to improve and refine 'the one true and necessary story' (see e.g. Burchell et al., 1980). But, as in mainstream history, once 'multiple perspectives' came to be developed and acknowledged, it was not long before claims were made that a 'new' history had emerged, with sharp differences from the old (Miller et al., 1991; cf. Himmelfarb, 1987; Windschuttle, 1994).

The 'new' history, is not (any more than 'traditional' history) a homogeneous school of researchers, but rather represents a range of theoretical positions grouped around different social theorists, notably Marx and Foucault. Its coherence derives from certain ontological and epistemological differences opposed to a rather oversimplified view of

'traditional' accounting history (Funnell, 1996). So it is not surprising that new accounting history should comprise a whole range of concerns familiar from the debates in mainstream history from the 1960's onwards: "a proliferation of methodologies, a questioning of received notions such as progress and evolution, a widening of scope, a new attentiveness to the language and rationale that give significance to accounting practices, and a shift of focus away from invariant characters such as the bookkeeper and the decision-maker towards a concern with broader transformations of accounting knowledge" (Miller et al., 1991: 395). This is not to say that "the analysis of accounting events can be conducted with a disregard for chronology, national specificity or the role of key actors of institutions[but] implies a distinctive view of accounting changeagainst the image of accounting practices developing in a linear fashion towards greater accuracy or truthfulness" (ibid.:398-9).²

One strand of this 'loose assemblage' is further elaborated in Miller and Napier (1993). Abandoning the notion of 'accounting history' because of the acknowledged historical contingency of accounting practice and the tendency, discussed above, to "be uncritical of the content and boundaries of accounting itself", they call instead for "genealogies of calculation" "to avoid an a priori limiting of the field study to accounting as it currently exists". 'Calculation' is used to include those "marginalising practices which do not fall within that domain" yet which "at particular moments, and in relation to diverse forces .. have been borrowed from domains such as engineering, actuarial science and economics". The term 'genealogy' is used "to emphasise the historical contingency of contemporary practices, and to debunk the apparent permanence of the present. We need to think in terms of multiple and dispersed surfaces of emergence of disparate and often humble practices, rather than in terms of present accounting as those to which all preceding practices have necessarily and inexorably been headed" (ibid.: 632-3).

This Foucauldian approach is emphasized here for two reasons: firstly, because of the light that it sheds on the concerns and conceptualizations followed by one of the main 'streams' within the new accounting history, but also, as discussed above, because of Foucault's position as representing an important link with or precursor to a more postmodern view of 'history-as-text' (Ermath, 1992). This is not to denigrate the contribution of the 'neo-marxist stream' of 'new' accounting history (e.g. Cooper and Sherer, 1984; Armstrong, 1987; Tinker et al., 1988; Hopper and Armstrong, 1991; Bryer, 1991). These authors, though critical of traditional accounting history narratives, focus on presenting alternative and radical perspectives of the past which nevertheless do not threaten the ontological and epistemological foundations of accounting history as a discipline in the same way that postmodern readings do (Habermas, 1988; Funnell, 1996). That is not to say that a neo-marxist accounting history would not be radically different from the traditional histories that we have, but that we would probably ultimately be left with something recognizable as history or historiography. With postmodernism, this is by no means certain (cf. Cooper and Puxty, 1996).

Whatever its position on facticity, narrativity and epistemology, and however well or badly it has achieved its ambitions in these areas, 'new' accounting history has not, any more than 'traditional' accounting history, necessarily succeeded in eradicating some more familiar criticisms (although they may exhibit more reflexivity towards them) that mainstream history has grappled with. Firstly, they are primarily written in English and concern mainly English-speaking countries. They include some erudite but partial drawings from other traditions but possibly still fail to recognise the nuances inhering in the original language which undermine the validity of regarding English terms as exact equivalents and hence also undermining the history based on this presumption (cf. Zan, 1994). Also, they are based on *written* archives and in consequence reflect the power of their originators (as the

ability to write accounting history today partly assumes the availability of resources which aspiring scholars may not have). This aspect also introduces the problems of selectivity and interpretation (Funnell, 1996: 48-9). Some of these histories also tend to downplay gender issues (cf. Kirkham and Loft, 1993). As elsewhere, oral history has been proposed as offering complementary (Collins and Bloom, 1991; Zeff, 1980) or alternative perspectives (Hammond, 1997; Hammond and Sikka, 1996) which help ameliorate some of these difficulties, but this approach clearly has temporal as well as epistemological limitations. But, though many of these difficulties are shared by both traditional and new accounting history, there still remains a crucial difference between traditional approaches and attempts to study accounting on its own terms in its own context for how it can help us understand (and challenge) the present rather than primarily how we arrived at it (Hopwood and Johnson, 1986: 45). What has not yet happened is that these difficulties have led to a denial of the *possibility* of historical facts, whatever meaning or narrative is woven around them, which is the position associated with postmodern historians (Funnell, 1996: 46, 48, 53).

The 'new accounting history' therefore tends to concern itself with exposing the 'taken for granted' in accounting and hence "reveal the coercive reality beneath the neutral mask of accounting technique and the altruism of institutional accounting reformers..." This perspective has not, however, been without its critics: " [S]ome new accounting historians have been attacked by others on the one hand for being 'insufficiently critical' (Neimark, 1990, 1994) and on the other for preparing histories 'moulded excessively by their moral or political attitudes' (Parker, 1995: 19)" (Carnegie and Napier, 1996: 11). The latter kinds of criticism have led to accusations that the new accounting historians "rely almost exclusively on secondary materials to bolster their contentions" and conclude that "new theories, interpretations and paradigms should be subjected to archive-based empirical investigation" (Tyson, 1995: 18). Examples of the 'new accounting history' subjected to

this kind of scrutiny are Hoskin and Macve (1988a, 1988b, 1994a) (Tyson, 1990, 1993), Hopper and Armstrong (1991) and Miller and O'Leary (1987) (Tyson, 1995).

In a recent review of this controversy, Funnell (1996) discusses in some detail the various commitments to facts, narrative and interpretation of traditional and new accounting historians and finds that a number of charges made against new historians can also be levelled at some mainstream historians who have not embraced the new history. These include the necessity for selectivity, interpretation and hypotheses for example, or the intrusion of the personality of the historian (1996: 50-5). But his main concern is to attack the polarization of the discipline that the proclamation and claims of the new has provoked and to argue instead for tolerance and recognition of the common ground which exists around narrativity and its epistemological attributes (p.58). Whether this is acceptable to neo-Foucauldian writers or not perhaps depends on their own views of the extent to which their work destabilizes the elements and practices of history which they wish to rewrite. But the alternative, says Funnell, is to follow the conflicts already fought inconclusively elsewhere, at the cost of opening up similar unbridgeable divisions (pp. 58-9).

A further point arising from Miller and Napier's (1993) discussion emphasizes 'the discursive nature of calculation'. By this they mean "the language and vocabulary in which a particular practice is articulated, the ideals attached to certain calculative technologies, and the rationales that set out the aims and aspirations of various authorities" [and with] "**ensembles** of practice and rationales, rather than with isolated instances of this or that way of accounting" (Miller and Napier, 1993: 633-4). These themes are explored through a number of examples, but one which is particularly of relevance to this Chapter is the "elevation of double-entry book-keeping to the central object of analysis at the expense of an analysis of the ensemble of events and processes within which particular accountings are located". Whether the claims of Weber and

Sombart regarding the centrality of double-entry book-keeping in the development of capitalism can be substantiated or not, the authors argue, they succeeded in constituting double-entry book-keeping 'as the pre-eminent form of calculation' and 'helped to place double-entry book-keeping so firmly at the heart of accounting history' that it has become 'equivalent' to accounting. This equivalence was accentuated through the adoption of particular research methodologies, for example by studying accounting manuals of the time and inferring from them that they were a valid if probably idealised exemplification of actual accounting practices in use. Thus the key research questions become centred around 'how useful' double-entry book-keeping was to business problems and ignored wider questions as being beyond the scope of accounting history (ibid.: 635-8). Miller and Napier conclude: "We need to examine accountancy as outcome, as an historically and geographically localized result of the composition of various lines of forcewe need to broaden the conception of what counts as accounting, as what counts as evidence" (p.645).

Despite the energy generated by these disputes, the potential of the new histories, especially of the genealogical approach, nevertheless remains more of a promise than a comprehensive set of studies of calculative technologies. To date, there are not more than a handful of such studies compared to the cumulative output of the traditionalists, and although they tend by design to be much wider in scope and to embrace a more diverse range of source material, this also means that in a number of fields traditional views still dominate. The relative lack of attention given to the archival record which arises from the ideological and epistemological commitments of new historians also means that new histories tend not engage too directly with what traditionalists regard as the best established readings of particular 'facts' in these fields. I want to argue here that whether accounting history produces a postmodernist 'school' or not, there remains a need for more

'new' histories which seek both to strengthen what has been achieved so far and yet also attempt to deal more specifically with the epistemological concerns of some traditionalists that, since new histories do not consider 'facts' or 'theory' in the same way, new histories are not 'good' history. Conversely, it seems to me to be important to continue to subject traditional narratives to the kind of scrutiny which exposes their often unacknowledged teleological or ideological assumptions and the partiality of the 'plausible causality' approach.

So in studying the historiography of accounting history, it can be seen that many of the concerns affecting history as a discipline have arisen or been taken up by accounting historians, but that in general these adoptions have been much later, much more limited and much less subject to critical debate. Accounting historians tend to be accounting specialists 'doing' history rather than 'professional' historians examining accounting. This has led to a different and more restrictive set of discussions mostly within the accounting academy about what accounting history is and how it should be done. Accounting history today embraces a wider range of concerns and approaches than for most of its history. Nevertheless, the 'new accounting history' represents an important but a numerically limited proportion of the discipline's output. To realise its potential, more studies are needed, and to encourage this the criterion of practical usefulness often cited in discussions about accounting history needs to be interpreted in a broader way:

"Paradoxically, perhaps, critical and interpretive research, grounded firmly in the archive while being elucidated by theoretical perspectives, might appear most removed from the immediate interests of the practising accountant and professional accounting bodies, but may provide the greatest insight into both the present and the future"

(Carnegie and Napier, 1996: 26).

To illustrate the discussion above and show the kinds of contribution made and able to be made by the different epistemological and ontological assumptions involved, the remainder of this Chapter is taken up with a comparison of two contrasting approaches to accounting history in a field where to date no 'new accounting histories' have been constructed, yet which arguably has had a significant impact on our current economic and social practices: local government accounting. The methodology is then continued in the following two Chapters which consider different aspects of local government accounting.

Local Government Accounting: The Triumph of Double-Entry

As accounting entities, the administrative configurations we know today as English local governments have some of the oldest documented and in several respects the longest persisting accounting practices available for study anywhere in the world. Although long an interest of local if not 'national' historians, it seems curious that until recently so little attention has been paid to these practices either by accounting historians or by what may be called accounting theorists. Considerable attention has been given, largely by historians, to the accounts of what we now call central government in the medieval and 'pre-modern' periods (e.g. Johnson, 1950), but those of the more local institutions of governance have been largely ignored by accounting specialists. Most of the recognised accounting histories and collections (e.g. Brown, 1905; Littleton, 1933; Littleton and Yamey, 1956) fail even to notice the omission. Some writers (e.g. Stacey, 1954: 44) offer brief descriptions and there has long been interest in manorial and estate accounting (e.g. James, 1955; Harvey, 1976) and in the related areas of college and ecclesiastical accounts (e.g. Forrester, 1978). Little of this material has, however, been concerned to relate accounting practices with the broad social, economic and political context in which they 'developed', nor with the historical processes which constituted them. In these respects,

they embody most of the epistemological positions associated with traditional accounting history and few if any elements of the 'new'.

Most of the work that has been done in this area focuses on a later period and on accounting in the particular institution of the municipal corporations (Coombs and Edwards (1992a, 1993, 1994, 1995). There are important reasons for this focus, relating to the basis of the professionalisation of municipal accounting, and this work will be considered in later chapters. The present Chapter, however, is concerned with the period prior to the widespread use of the terms 'accounting' and 'accountant' in English local government, even though institutional and social practices which we would today regard as accounting were carried out alongside other practices, often carried out by the same individuals, which we would not.

This ensemble of practices offers a considerable and as yet an overlooked potential to construct a 'genealogy of calculation' to contrast with the approach adopted by those few accounting historians who have tackled this archive. Their approach has largely been to examine it to answer the questions of why and how the charge/discharge medieval stewardship system of accounting in use in local government authorities eventually 'reflected' changes in accounting practice in other parts of the British economy and 'gave way' to the double-entry system originally imported from Italy into Britain sometime in the sixteenth century (cf. Yamey, 1956). This development is characterised as 'a triumph of double-entry bookkeeping' (Coombs and Edwards, 1994) and illustrates the typical teleological but unacknowledged stance of traditional historians in their assumption of the superiority of the double-entry system as viewed from the present and hence a 'need' to trace the origins of current practices to weave into a progressive and developmental

narrative. Careful study of 'the facts' does, however, highlight the uncertainties and contingency surrounding the identification, exact timing and reasons for accounting change. This kind of narrative, far from emphasizing the contingency and arbitrariness of 'events', seems, by concentrating on a particular form of account (whose recognition let alone significance is problematic), to conform more to the attributes of the Whig interpretation of history (Butterfield, 1931).

The most detailed treatment of this transition is that given by R.H. Jones (1985, 1986) who summarised the field as follows:

"no-one has ever wondered (in print) how, when and why local government accounting changed; there has been little enough concern with **whether** it changed" (1986: 17).

The purpose of this work is to "explain why local governments in the UK adopt the financial accounting techniques that they do". To do this he distinguishes "between the period before c1835 and after and between chartered boroughs and the rest" (ibid. - abstract). In his 1985 paper which, slightly modified, forms chapter 2 of his 1986 thesis, he draws attention to the long history and pervasiveness of "non-commercial, non-double-entry bookkeeping" in both the Exchequer and in the "organs of government in the localities, namely the counties, boroughs and parishes" (1985:1). Jones offers to "provide a synthesis of this aspect of the history of accounting", and additionally to pursue three more specific objectives:

"to clarify what is meant by 'charge-discharge' accounting...Second, to understand, for its own sake, what 'local government' accounting meant before government regulation and professionalization in the nineteenth century. And, third, to make a contribution to an earlier discussion about which characteristics of double-entry led to its dominance over charge/discharge".

Pursuit of these objectives lead to conclusions about the relationship of accounting in government of the localities throughout this period "with what government itself meant and suggesting why double-entry eventually held sway" (ibid.: 2-3). Thus at the outset we see a close identification of both accounting and local government with 'the triumph of double-entry'. Some detailed consideration of Jones' work is necessary in order to fully appreciate how his narrative is constructed and what he sees the main issues to be.

He begins his discussion of this period by highlighting the uncertainties surrounding the definitions of charge and discharge accounting, first quoting Baxter's (1980):

"a system of stewardship... [where] the steward was charged with the sums for which he was responsible (opening balance plus receipts), and discharged of his legitimate payments; the end balance showed what he must hand over to his lord or keep in his charge for the next period".

There are different views as to the origins of the practice, with Baxter associating it with manorial and pipe-roll accounting in the medieval period, but other writers tracing its origins to 15th century Scotland (Chatfield, 1977). The difference arises because the English Exchequer pipe-rolls, the long series of accounts of what we would now call central government, do not use the terms charge and discharge either in English or in translatable Latin. However, Jones concludes:

"the most generally accepted meaning of charge-discharge in fact represents a family of accounting statements drawn up on the basis of single entry.... The other unifying theme is that they represent the account of a steward being held responsible for financial transactions of a period to a higher authority. The steward is a debtor to the extent of the charge... the emphasis is on the amounts being due unless there is a good reason for a shortfall, the discharge". (ibid. p.3)

He adapts from Booth (1981) a schematic representation of this type of account:

1. Charge	
Monies due for the year	x
2. Discharge	
Payments	x
3. Balance of Charge-Discharge (1 minus 2)	x
4. Joint Sum of Indebtedness	
Balance of Charge/Discharge (3 above)	x
Arrears from previous year's account	x
5. Foot of Account	
Payment of cash:	
Of arrears	x
Of balance of Charge and Discharge	x
Allowances for monies due but not collectable etc..	x
6. Arrears carried forward (4 minus 5)	x
(including debtors)	x

Although detecting a unifying consistency in these types of account, Jones highlights some of the differences: some accounts comprise opening cash, receipts and payments for the year and closing cash in hand. Some, however, can be shown to include debtors in the opening or closing balances, thus requiring some modification if the debts remained unpaid by the end of the subsequent period. Further examples also include physical inventory such as corn and animals, and of inventory being valued (Hanham, 1970). Creditors are assumed not to have been included, but clearly the form of account has the facility to deal with creditors in the same way as debtors. Again following Baxter, accrued income (i.e. non-cash) from capital assets can also be accommodated.

Jones goes on to discuss the form of accounts in parishes, boroughs and counties. He begins with parishes as the most numerous (estimated to be about 15,000 in the period around 1800) and as the only local entities of government covering the whole country

(Webbs, 1906). The responsibilities of parishes centred around the upkeep of the church, for which they had been able to levy statutory rates from as early as 1427 but had levied non-statutory rates from much earlier. By the 18th century, they had taken on a wide range of civic duties such as highway repair, policing and the relief of poverty, and appointed officers from among their number to be responsible for these functions. The various legal and constitutional configurations are discussed extensively by the Webbs; all that needs to be noted here are that each officer was individually called to account, usually annually, for his 'stewardship' of the funds entrusted to him, and that these accounts, often either amended or even apparently 'created' at the annual audit, form the basis of parish accounts. The account of the Churchwarden(s) (rather than those of the constable, highway warden or overseer of the poor) are those most often published and hence available for research.

There is no suggestion that these officers were anything other than 'ordinary' parishioners, i.e. reflecting the range of occupations and families existing within the parish, although the practice of 'closed vestries', where a self-appointed local oligarchy re-elected itself would have reduced the range of occupations and interests represented. The Webbs draw attention to the often recorded reluctance of higher status landowners and gentry to serve as a parish officer, often by a recognised practice of 'buying off' the obligation or sending one of their estate workers to serve in their stead (Webbs, 1906: 62-3). The point is that, largely, no specialist bookkeeping skills were employed - the accounts were usually written up by the parish clerk and endorsed by the parishioners and/or Justices of the Peace who carried out the audit, generally at, or shortly after the annual parish meeting. The accounts required some correspondence to the physical contents of the parish chest i.e. the cash balance kept there.

Jones' discussion centres on five examples which have been closely studied, ranging in

time from 1479 to 1820. All the accounts, he says, “contain the following five elements in one form or another:

1. A heading, giving the names of the churchwardens, the period of account, and the name of the parish.
2. The balance brought forward from the foot of the previous period's account.
3. Receipts (or revenues) of the period.
4. Payments of the period.
5. The balance of the account carried forward.”

(ibid. page 7).

He observes that the classification of items of receipts and payments vary, and that “almost without exception, they used the cash basis”. One case which involved unpaid debtors led to difficulties not only in accounting but also in assigning responsibility for the debt, i.e. it was inequitable to hold the succeeding churchwardens responsible for the debts of their predecessors, yet the accounts seemed to require this unless some procedure for writing out the debt was available. In other contexts e.g. for Sheriff's officers, the previous officers would themselves have been liable as there would probably have been no formal accounting distinction between the 'steward's' 'private' resources and those administered on behalf of his 'lord'. This situation continued to arise in county administration and incorporated boroughs. Apart from debtors, in two of Jones' examples, physical inventory is sometimes included, e.g. silver, wax etc.. He mentions one other item of interest: the short-lived attempt by a churchwarden in Oxfordshire to submit his accounts in double-entry format for the year 1816.

Jones goes on to discuss the accounts of the incorporated boroughs and the counties, but sufficient extracts have been given to appreciate the level and intricacy of the analysis.

What is particularly noticeable is the emphasis on the *form* of accounts and the search for origins and earliest examples of particular practices from which an historicist narrative based around the presumed functional superiority of modern conceptions of double-entry bookkeeping can begin to be constructed. Attempts are made to identify 'innovative' individuals responsible for introducing new practices. But the difficulty of identifying them and the doubts surrounding the extent to which they 'really' understood the significance of their actions (e.g. in changing to double page format or inserting the words 'by' and 'to' before the entries) requires most emphasis to be given to the practical difficulties which the 'accountant' faced and the alleged functionality of changes which presage the future orthodoxy. These discussions seek the 'plausible explanations' of Previts et al. (1990a) but they fail to locate accounting in the social, economic or political discourses of the time.

Jones' discussion concerning the accounts of County Treasurers, takes more account of context, albeit in a brief discussion (ibid.: 17-20). County government of the period represents that most closely aligned to the Crown in the form of local Justices of the Peace, but their financial affairs were relatively uncomplicated compared to the variety of transactions accounted for at parish and town level. The county had powers and duties to build and maintain bridges, gaols, courts, and contribute to poor relief, and was able to levy rates for these purposes. The office of County Treasurer was created uniformly throughout the country by an Act of 1739 which imposed requirements on him for keeping "books of entries of the several sums respectively received and paid by him in pursuance of this Act; and is also hereby required to deliver in true and exact accounts upon oath if required.... of all and every sum and sums of money respectively received and paid by him or them, distinguishing the particular uses to which such sum or sums of money have been applied.... and shall lay before the justices at such seasons the proper vouchers for the same." (ibid.:18).

The requirement for audit was related to a requirement that no new rates could be made until three-quarters of the previous money had been spent. In general, it appears that County Treasurers of the period were disproportionately subject to personal financial difficulties, especially in the 1780s, leading to their replacement and/or new systems of accounting. Reminding us of the introduction of double-entry accounting into the Corporation of Bristol in 1785, Jones argues that “these events seem to be a natural part of the movement for ‘Economical Reform’ which was born in the 1780s but which was more concerned with central government” (ibid.:19). He quotes Roseveare: “the winter of 1779/80 saw the beginning of a movement which was.... to introduce into public life a new morality, into finance a new probity and into government as a whole new standards of efficiency and economy” (Roseveare (1969: 118), culminating in a ‘Commission for Examining, Taking and Stating the Public Accounts’ which reported from 1780 to 1786. Despite citing Binney's (1958) detailed discussion of the period in which “there is no suggestion that it had any direct effect on government in the localities”, Jones links the ‘Economical Reform’ programme to “increasing demands for accounts of local government to be published”³. The statutory basis for this came with the County Rates Act 1815, extended to boroughs in 1835. There is the suggestion that the introduction of double-entry bookkeeping into local accounts was a by-product of this movement and was adopted widely throughout the country at this time. One aspect of this change in practice was the replacement by published accounts of the oaths previously required of responsible public officials.

Jones ends his paper with a ‘synthesis’. He concludes that all the types of accounts examined are “remarkably consistent, and, more importantly, are at least in terms of fundamentals, remarkably comparable....All the authorities used charge and discharge accounting ... [and] [t]hey are all accounts of people, not of organisations... They are the accounts of a steward's addressed to a higher authority”.

As such, 'accounting' and 'auditing' took place simultaneously and "'accounting' was not a continuous or even a frequent provision of financial information.... [t]he emphasis is on the charge rather than the discharge". The assumption was that the 'steward' was in debt for the amount of the charge and had to show why he should not 'hand over' the full amount. In the Exchequer, the Sheriff was usually responsible for handing over a fixed fee regardless of how much he had actually collected - certainty of revenue was the main interest of the Crown, and the Sheriff took the risk as to whether he could collect more or less than was due. The accounts struggled to recognise debtors and occasionally inventory, but did not attempt to separate out revenue from capital. The classification of items appears to have been derived in an ad hoc way to suit local perceptions of the important transactions, but once decided, seemed to remain consistent for many years. "A significant and non-trivial explanation for why the accounts of a given year are the way they are is because they were that way the previous year" (ibid.:21).

The suggestion is made that charge/discharge accounting embodied either the structure of feudal relations or, through its persistence, at least the distinctive 'obligation to serve' that the Webbs claimed to be the dominant unifying feature of the government of the localities before 1835. To that extent, it can be contrasted with the various claims made for double-entry accounting to embody 'capitalist' relationships. Jones reviews Yamey's (1956) arguments in favour of double-entry and supports his contentions that double-entry provided a 'more comprehensive and orderly approach' and that it provided a check on accuracy and completeness - "As local authorities' financial transactions grew these must have been significant advantages: charge-discharge emphasizes the final account at the expense of the individual transaction which makes it up; double-entry emphasizes each individual transaction". Bristol seems to demonstrate the need for the subsidiary accounts and records to be "linked in a structured way".

However, Yamey's contention that "the ledger contains the material for developing, as part of the system, statements of profit and loss and of capital assets and liabilities" but that this is a by-product of the other advantages rather than, as in the Sombartian thesis, central to the identification of double-entry with capitalism, is supported by Jones. Charge-discharge could support income and capital and provide a total debtors figure. What "it did not provide [were] the records necessary for day-to-day control of debtors (or for that matter, cash, although the physical contents of the chest obviated the need for this)." Referring to the adoption by Bristol of both double-entry and capital valuations in its accounts in 1785, Jones finds the case not proven, for although Bristol "without difficulty could be classed as a capitalist body" the motives for the changed practice are not known and the capital valuations themselves were abandoned relatively quickly (i.e. in 1817). It is known that the uniform requirement imposed on parishes to use the double-entry method in 1867 was partly to provide information as to outstanding liabilities (ibid.:24).

Jones' overall conclusion is worth quoting in full:

"Of course, the stewardship role of double-entry is much more easy to accept in local authorities (outside the wealthy boroughs) than it is in companies. Nevertheless, there is nothing in this review of accounting in the government of localities which suggests anything other than that double-entry was a better stewardship model than charge-discharge when organizations carried out a substantial number of financial transactions involving debtors and creditors. As Baxter (1950) once observed, 'the first and foremost reason for keeping accounts is to aid in remembering what we have trusted to our debtors'. Charge-discharge accounting did precisely that, since the steward was a debtor to the higher authority; but it was of limited use to the stewards themselves as their own credit transactions grew. Double-entry solved that problem and was able to provide the necessary final accounts to render the charge-discharge account redundant. If its benefits exceeded the costs of acquiring the additional bookkeeping skills, how could it lose? Given time, it could not." (ibid.:24).

We thus see the results of an accounting history which has set clear objectives for itself and followed well-recognised archival procedures in constructing a narrative based on a perception that 'what matters' is the story of how we arrived at the 'techniques' (really the *form*) of accounting in use in local authorities today. There is a presumption that there 'must have been' self-evident advantages in the changes in accounting practices which were introduced at various points and places in the story. But the bases for making this judgement are not so self-evident. The criteria for assessing these advantages are not clearly articulated beyond differentiating accounts of individuals from those of collectivities, but they revolve around giving a 'best' account of the activities of the organization within the accounting conventions available. When a 'problem' presented itself e.g. in the form of debtors and creditors, a 'response' was made which whilst partial and localised at the time, eventually 'proved' its efficacy by becoming widely adopted. Thus the past became the technically superior present.

Although some attempt is made to consider the social and economic context in which local government accounting took place, in this paper at least the discussion is minimal (see Jones, 1986 for a broader discussion). To the extent that the paper achieves its objective of understanding what 'local government accounting meant' in the period is to define meaning purely in terms of a (restrictive) view of what modern accounting practice can discern as its (presumed inadequate) antecedents.

In a postscript (1994: 403), Jones acknowledges his "open-ended commitment to write the necessary history" to deal with the questions from the present relating to public sector accounting, the answers to which lay in the distant past. However, the "remarkable consistency in the accounting over time and between different authorities" which he detected ("I had wanted to call this 'clerical consistency'") meant that the whole 500 year

period could be dealt with in a single chapter. So his synoptic conclusion involves two elements: continuity of practice (charge-discharge) for at least the period for which written records are available, yet a discontinuity in that by some time in the mid-nineteenth century, a new form of keeping accounts (double-entry) apparently became almost universal. His claim amounts to saying that the sheer volume of transactions and the associated uncertainties arising from debtors and creditors 'made evident' the superiority of double-entry to the **'accountants' themselves** with at least no diminution of 'accountability' to auditors and 'higher authority' insofar as the formal written accounts continued to be available. There are a number of further issues which arise from this conclusion and his treatment of the subject in general.

'Charge-discharge' accounting as defined by Jones (above) was the common means of accounting for all sectors of the economy during the medieval and early modern periods, including profit-making concerns such as agriculture and also early industrial concerns such as coal mining, iron works and canal companies (Edwards, 1989; Forrester, 1980). If it is the case that this form of accounting 'embodies the notion of stewardship' (Baxter, 1980), then this notion would need to be fundamentally the same for all accounting entities. There appears not to be a consensus on this. The change of practice towards double-entry accounting was introduced at different times and rates in different industries, allegedly in response to their various 'needs' for instance to provide more reliable accounts more frequently to e.g. donors of capital (Yamey, 1956). Hybrid systems were found: " [the above discussion] has implied that a clear-cut choice was in favour of one system or another. In practice this was not so..." (Edwards, 1989: 58). In local government accounting, the needs of the ratepayers would presumably be paramount and would be significantly different from those of either merchants, industrialists or financiers.⁴

The 'superiority' of the method is therefore presumed somehow to become 'evident'. But the precise reasons for its advantage vary depending on the context and also on the availability of suitable 'advocates' able to 'see' these advantages, to persuade others (e.g. owners, auditors, commissioners etc.) of them and to train subordinates in the new requirements. In tracing the history of this 'advantage' in the accounts of local governmental bodies, Jones himself highlights differences between and within counties, parishes and incorporated boroughs, and the evidence of the role of certain individual 'accountants'. Yet he concludes that an overriding 'factor' in some combination of volume, complexity and uncertainty of transactions was in itself responsible for an apparently irresistible process begun in the 1780s which however was still uncompleted by at least the time of the 1867 Accounts Regulations (Jones, 1986).

Further, this reasoning ignores the accounting practices of the most complex governmental body of all - what we now call central government. Its attitude to debtors and creditors was clearly very different to that of its legally subordinate bodies, since e.g. 'full' accruals accounting is only now being fully introduced (HM Government, 1995), and the elements of double-entry itself (apart from within the Treasury) are mostly difficult to discern in the somewhat arcane practices of the eighteenth century.⁵ This despite the increasing scale and complexity of revenue and expenditure transactions during the late eighteenth century (cf. Binney, 1958), the potential for fraud (another reason given for the general advantages of double-entry bookkeeping) and an equally long-standing recognition of the problems of loan capital and of the differences between physical and financial capital (Lee, 1983).

A further example is based on revenue collection. It is known that tax took 7 years to collect in full, on average (Binney, 1958: 55), yet the revenue debtors were not recognised in the annual 'accounts', since the account was not drawn up until all the assessed taxes had been collected or in some way recognised as being uncollectable (e.g. written off by

special warrant). For example, the Land Tax account for 1775 was not 'audited and declared' till 1817 due to the financial difficulties of the London correspondents of the Receiver General (Binney, 1958:63-4).

As we shall see below, those responsible for governmental accounts were able to deal with a great deal of complexity in debiting and crediting without recourse to a double-entry system. In the context of local governance even the meaning of double-entry becomes rather unclear because, in the absence of loan accounts and balance sheets, the discrete differences between double-entry and the charge/discharge system can be very difficult to determine, and consequently as difficult to see why so much emphasis is placed on it.

In summary, the fascination with double-entry bookkeeping seems curiously inappropriate when it is acknowledged that it took around 100 years for it to be eventually adopted (finally through government imposition) in all major local authorities in England (and even longer in most 'central government' departments). Following his investigating the 'confusion about terminology' in relation to charge/discharge, Jones' conclusion is that "it represents a family of statements drawn up on the basis of single entry" (Jones 1985: 3). But elsewhere (Coombs and Edwards, 1994: 164-5) we are told that:

"Single entry is not a particular system of bookkeeping, but is the term used to cover any written accounting record other than double-entry...[T]he actual classification of a particular accounting system as double-entry or single entry (including its subset charge/discharge) can prove problematic... There is no shortage of examples to prove that the presence of individual features of [double-entry bookkeeping].. does not demonstrate its full-scale application".

This seems to imply that its functionality is by no means as self-evident as is claimed, and that it is perfectly possible to produce what contemporaries (rather than modern accountants) regarded as adequate accountings without it. At the time, its utility for

'government' (not that 'the Government' was actually proposing such a step) was fiercely opposed by Bentham and his associates (otherwise strong supporters of bookkeeping for management and accountability) on the grounds that the entries it gave rise to were fictional and unintelligible and obscured the visibility and clarity of the 'birds'-eye-view' or the 'tabular' principles of accounting they advocated (Goldberg, 1957; Gallhofer and Haslem, 1994a; Coombs and Edwards, 1994). Bentham complained that the language of double-entry bookkeeping was :

"a language... the more objectionable, as the terms employed being in common use for expressing other ideas, require, on this occasion their signification to be changed, before they can be made to render the facts intelligible"

(Bentham, 1830: 41-2, quoted in Gallhofer and Haslem, 1994b).

Bentham's view was clearly suggesting that double-entry bookkeeping was being promoted for the benefit of accounting specialists, who, " by ensuring that accounts were unnecessarily complex and technical, rendered accounts difficult to challenge or construct by all those outside the community of experts" (Gallhofer and Haslem, 1994b: 439). It should also be noted, however, that Bentham's many own schemes of accounting usually relied on two entries for each transaction, albeit in separate books (Hume, 1970:28).

Elsewhere, in a debate over the form of accounts necessary for Glasgow College in 1775 it was:

"declared that, in their opinion, the complex, laborious and expensive mode of keeping accounts which may be necessary in complicated mercantile business is not necessary nor proper nor useful in accounts as plain and simple as the college ones indisputably are"

(quoted in Forrester, 1978).⁶

These criticisms and the coexistence of multifarious forms of single and double- entry accounting in local government over a long period should alert us to the dangers of seeing 'the triumph' as inevitable, or even of giving it an undue share of attention at the expense of alternative objects of inquiry. This work seems to confirm many of the criticisms of 'traditional' accounting history, yet also demonstrates its strong commitment to careful archival research and an apparent openness to 'let the evidence speak for itself' in the search for 'plausible causality'. But as the above commentary shows, this work is also teleological in that it takes for granted the 'progression' towards the present and identifies objects for analysis in terms of current analytical categories, ignoring the meaning of these objects in the discourse of the time. Research questions are also posed in relation to contemporary discourse (e.g. the perception that charge/discharge and double-entry are unrelated forms of account), and the search for explanations of change presume that there 'must be' some functional reason for change and any which can be identified (in terms of current criteria) are presumed to offer the 'best' explanation.

These difficulties seem to require an alternative approach to the topic. This is not required entirely for 'ideological' reasons, but simply because this traditional history fails to meet the expectations of even its own criteria of interpretation. New accounting history itself 'becomes necessary' as the old discursive modes of explanation come to seem obsolescent, however distinguished the scholarship and worthy the intention. But what could these alternatives be and how are they to be pursued? We turn now to another story which produces a different (but not necessarily incompatible) interpretation of accounting in local government at the end of the eighteenth century.

Poverty, Government and Accounting

If 'the triumph of double-entry bookkeeping' seems a rather specialized and restrictive way to begin to construct an accounting history in local government, how can a broader set of themes be identified? What was 'going on' in the parishes of England at the end of the eighteenth century which provided a potentiality to 'put accounting where it was not'? How can we conceptualise and construct 'genealogies of calculation' in the social, economic, institutional and linguistic spaces which might have become available for this to happen?

To begin with, we should be wary of accepting formulations of research questions uncritically. We cannot, for example, speak unequivocally of 'local government accounting in the eighteenth century'. As Jones points out (1985: 1n), the Webbs did not find the term 'local government' in use before the middle of the nineteenth century, since it implied a system of government which in their opinion did not prevail before the 1830s (Webbs, 1922). Similarly, following the arguments presented above, we should not be concerned exclusively with answering questions like 'when was double-entry bookkeeping first used by the various local authorities?' or 'why double-entry eventually held sway'. Certainly, wider issues like 'the relationship between accounting and government and what government itself meant' should be considered, but it also follows that concepts of 'government' are themselves capable of wide and various interpretations (cf. Hume, 1981; Burchell et al., 1991) which cannot be retrospectively imposed on particular historical events and discourses.

Secondly, we need to consider the constitution of accounting and its boundaries. A prime reason for examining this period is that it predates the existence of a recognisable occupational grouping labelled 'accountants' or even, in 'local government' circles,

'bookkeepers'. 'Clerk', on the other hand, represented a generic category of occupation which did not necessarily involve homogeneity of activity or technique but which derives its authority from its legal and judicial associations, even though the nature of the work itself and the status of those who carried it out was thought inferior by many (Corfield, 1995 - see also chapters 3 & 4). In the context of 'legitimate local government' it gave them great power literally to 'create' accounts of government through their own written records and from meetings and the various oral hearings known as 'the audit'. So we cannot begin by defining accounting as 'what accountants do', nor assume that what has been identified in historical research as 'accounting' necessarily represents an 'enclosure' of knowledge or practices meaningful at the time, whether it was labelled 'accounting' or not (Rose and Miller, 1992).

Thirdly, it means we have to be concerned with broad historical currents, with the detailed, day to day thoughts and practices of individuals and groups and with the means by which the two can be considered to be related. The continuity of record keeping practices by local government authorities means we shall have to ask frequently not only why practices changed, but why they **didn't** change, often under considerable pressure from change advocates armed with what they considered to be powerful arguments and often powerful friends. It usually means combining a catholic approach to source material with a sharp awareness of the critical stance of authors. It means above all a receptivity to the idea that there cannot be a single, objective historical truth about the past but that we must choose from among the many competing accounts potentially available that or those which seem to us to have some (more?) 'utility' in our current interpretative requirements.

But in addition, we must pay attention to critics who argue that much 'new' accounting history is based on highly selective secondary sources, ignores the primary archive and is

'written to a paradigm' (e.g. Tyson, 1995), even though it can be argued that much 'traditional' accounting history suffers from similar problems (Funnell, 1996). Response to this criticism implies adopting an openness to the material which allows 'plausible' as well as, hopefully, insightful narratives to be constructed and in some ways a partial return to the methodology if not the epistemology of Ranke and his successors. It requires attention to the kind of detail that both traditional historians and mentors of the new find necessary (e.g. Foucault, 1984:76), whilst embracing sufficient reflexivity concerning teleology, empiricism, historicism, ethnocentrism and logocentrism and accepting a multiplicity of readings as inevitable or indeed desirable. Finally, we must accept the implications of narrativity: that stories have structures and grammars of their own which are constructed concurrently with readings/interpretations and which imply periodicity, closures and moralizing judgements (White, 1987).

Given the difficulties outlined above, one way to begin to develop themes might be to take an archive 'at random' and see what interpretation can be made of it. Not entirely at random, since where one looks and on what basis promising material is chosen reflects partly conscious judgements, but random in the sense that the material which follows is the result of a chance discovery rather than a conscious search for or attempt to interpret a complete set of historical sources. Clearly, this choice raises issues of representation and the extent to which it is safe or reasonable to infer meaning beyond the literal text (and even to interpret that text itself). Yet it offers the potential for at least as rich an understanding of the nature and role of accounting in local government as can be discovered using more purposeful searches for the origins of our current practices.

To offer an alternative reading of 'accounting and local government in England *circa* 1800' (itself a formulation deriving from and as an attempt to respond to traditional

conceptualizations of a research topic), I have taken a contemporary archive discovered more or less by chance (i.e. there is a historiography of the survival of the archive, its publication in book form, its purchase by a library, my noticing it and judging it suitable for my purpose - and I leave aside the issues of authorship, voice and textuality) and used it to construct the elements of a history dealing with the kinds of interests discussed by Miller and Napier above (1993). Later Chapters attempt the same with different archives and narratives. Whether these efforts fully embrace the genealogical method or not, I leave for others to judge. What is noticeable from the literature is how few papers actually make claims to be doing this (as against theorizing about it) and how even fewer seem to succeed (Stewart, 1992:62). On the other hand, as discussed above, neo-Foucauldian history retains narrativity commitments with much in common with traditional history (e.g. Loft, 1986). My narratives attempt to avoid traditional historical teleology through only examining particular interlocking sets of records and not imposing certain interests on them (such as searches for origins or the influence of an individual subject). This approach seems to me to be compatible with certain elements of the Foucauldian approach, but is by no means unique to it. But there is a teleology of sorts in a genealogy of calculation, and a set of concerns which is indisputably of the present.

Hopefully, my examination of these records in this study nevertheless provides sufficient detail to engage those with traditional interests even if they disagree with the construction I place upon them. In this Chapter, the issue of the representativeness of the archive is one I feel I can defend, even though I don't believe its typicality (or otherwise) is central to its interpretation. In short, it is something of an attempt to seek the commonality called for by Funnell (1996) whilst doing justice to the differences found in contemporary accounting history and opposing the available narratives.

John Carrington of Hertfordshire

John Carrington was born in 1726 in Tewin, three miles north west of Hertford, the sixth and youngest child (and only surviving son) of John and Mary Carrington. John the elder was a gardener and his son followed him into this occupation, receiving no formal education. In or soon after 1760 through the good offices of his employer he was installed as a tenant farmer of Bacon's Farm, Bramfield, in the neighbouring parish, and through some combination of farming efficiency, business acumen and sociability, made it a success. This success probably contributed to his being appointed, in 1771, as one of the four Chief Constables of the Liberty of St. Albans and Hundred of Cashio, supervising the constables of seven parishes. Also around this time, he became Tax Assessor and Collector for Bramfield. He was also a leading member of the Bramfield Parish Vestry, acting as Surveyor of Highways and Overseer of the Poor. In 1801 he was responsible for providing the returns for Bramfield for the first national population census. Eventually, due apparently to the high price of corn arising from the Napoleonic wars, he became financially secure enough to own property and investments, although he never managed to acquire the copyhold of Bacon's farm and thus cease to be its tenant.

We know so much about him because from 1798 until twelve days before his death in 1810 he kept a daily diary, recording his activities and the events surrounding his life in what was then one of the most prosperous agricultural counties in England, in the hinterland of rapidly expanding London. In addition to the diary, he also kept a collection of notes containing arithmetic lessons and below them further details of political and historical events, including the prices of corn etc. Both the diary and the arithmetic book were deposited in the Hertfordshire Record Office in 1943 by a descendent. The diary was restored, a typed transcript and rough index made and brought to the attention of a wider audience through a local antiquary, W. Branch Johnson, who published a pamphlet

in 1956 entitled: 'The Hertfordshire Pepys'. Later he went on to edit and publish something like three quarters of the entire manuscript, including the arithmetic book (1973). It is from this source that these details of Carrington's activities are drawn.

It is also possible, however, to inspect accounts drawn up by him for his various responsibilities, as well as the records of the authorities he made account to. We know from the diary the 'background' to the accounts: his actions in managing the workhouse, his trips round the parish assessing and collecting rates and taxes, his duties in dealing with riots and appearing before the county justices to account for the money and information required of him. And we can assess how the accounts reflect or otherwise the 'state of affairs' of a small but governmentally typical area of rural England, and how a representative or at least indicative parish official regarded and practised the contemporary calculative technology of government without apparently ever calling or regarding himself an accountant. Legally he probably was one, however: by definition a "public accountant was any person who, because he had public money in his hands, was required by law to render an account of the same in the Exchequer" (Binney, 1958:11 n3).

Before examining the documentary evidence, it is worthwhile spelling out in some detail the nature of the various official responsibilities Carrington discharged. Perhaps the easiest to describe, and certainly the least arduous for Carrington himself, was his role as Surveyor of Highways. This was an unpaid Vestry appointment confirmed by the Justices of the Liberty of St. Albans. The responsibilities of parishioners towards maintaining roads going through the parish were specified in an Act of 1555, which required them to each give four days' unpaid service per year in mending the road (the 'Statute Labour'). A later act gave specific powers to levy a rate to pay for the cost of materials:

“The ordinance or act of 1654 provides that two or more householders with lands worth £20 a year, or with £100 worth of personal estate, shall be chosen surveyors yearly of each parish. They shall view all the common highways and roads where carts and carriages usually pass, all common bridges belonging to the parish and all watercourses, streets and pavements. Within six days afterwards they are to give public notice in the church ‘to the parishioners to meet to make an assessment for repairing the said highways and streets, for making and repairing of pavements and for cleansing the said streets and pavements from time to time, and for what else shall be requisite for the purposes aforesaid, and thereupon a rate or tax in writing... shall be laid by the said inhabitants present at such a meeting, or the greater number of them, by a pound rate, upon all the several occupiers of houses, lands, tithes, coal-mines, fellable woods, tenements, or hereditaments within the parish, according to the true yearly value of the same; and also upon the dead goods, commodities, or stock-in-trade of every particular parishioner charged to pay to the poor, rating every £20 value of such goods equal to every 20s land by the year; and such further rate to be afterward and oftener made as occasion shall require, so as all the rates together do not exceed 12d in the pound for any one parish in any one year” (Canaan, 1912: 119).

This passage is quoted at length because it exemplifies the main features of the calculative regime in which the accounting activities of the parish were located. Other services and responsibilities involved similar types of calculation. There is the financial qualification for office, a calculation of personal wealth applicable to the whole country which produces sufficient individuals of suitable responsibility to carry out the duties (no other qualification is specified). Preceding this, of course, are recognisable and accepted means of making assessments of wealth, e.g. of rents receivable (‘the true yearly value’), or personal possessions and the translation of these into rental equivalents (‘every £20 value equal to 20s land by the year’). These assessments also form the tax base. Problems of valuation are apparent, e.g. is the ‘true yearly value’ the actual rents (often based on ancient assessments) or the maximum rents thought available (‘rack rent’)?

Then there is the programmatic element (Miller and Rose, 1990): defining and recognising the parish's responsibilities (e.g. the county was responsible for major bridges), the survey, the works which are assessed as being necessary (presumably arising from concepts of what constituted good transport, or the extent of the parish's duty), the estimate of their cost and the calculation of the rate in the pound necessary to realise it, and the parish meeting to endorse the proposals, which can be approved by 'the greater number' of those present (although the Surveyors had reserve powers to impose a rate if agreement was not forthcoming). Finally, there are further calculations which must reflect some national calculation: the total rates cannot exceed 12d in the pound. One further computation was calculating the sum payable to Turnpike Trusts whose roads ran in or near the parish in compensation to them for the 'statute labour' which would otherwise have been due (the Watton Turnpike ran close to the edge of Carrington's parish). This would in principle involve knowing wage rates etc., although Turnpikes varied greatly in their prosperity and influence and had a reputation for shady dealing e.g. through their practice of 'fee-farming' (contracting out the right to collect fees/tolls in exchange for a fixed sum), so a more arbitrary figure might well have been used.

These principles of rating applied to all the various responsibilities carried out by John Carrington; the differences lying in the relationship between the purpose of the rate and the body responsible for that particular function. Although in theory each type of expense should have been collected by separate officials, working on separate assessments, one assessment, as we shall see, formed the basis for a whole range of rates and taxes. Men like John Carrington were responsible for collecting them and delivering the proceeds to the various authorities. Carrington, in fact, was also the Tax Assessor and Collector for Bramfield, collecting not only "Land and Property Tax (at 4s in the £)..., but also what were known as the Assessed Taxes, which in his time consisted of

taxes on horses, carriages, servants, armorial bearings, dogs, hair powder, watches, houses, doors and most famously, windows. From 1799, there was also the 'New Tax of All Income' ... initially graded at from 2d in the £ on incomes between £60 and £65 to 2s in the £ on incomes above £200". (Johnson, 1973: 14-15; cf. Binney, 1958). These were what would now be called direct taxes (indirect taxes, including customs and excise duties etc., were mainly collected by the Revenue) and were of course for the benefit of 'central government', particularly in its need to finance the American and then the Napoleonic wars.

Clearly then, in common with many other concerns, an important part of parishes' financial affairs was obtaining information about rents and leases, which in turn depended on a recognised and accepted system of valuation and amortisation (as well as ownership and occupation). These were drawn from ecclesiastical and agricultural practice drawing on the recognised 'expertise' of the land or estate surveyors (e.g. Baily, 1802; Bayldon, 1828). However, the unique aspect of governmental bodies in the post-reformation period was the power to tax their fellows in order to provide some benefits which were at least in some degree at some time by some people seen to be for some definition of the 'common good', i.e. perceptibly separate from the Crown's affairs. The power to raise revenue in this way of course goes back to time immemorial, and I am not concerned here to trace the various national and local enactments which provided the means for authorities to do this. I am, however, concerned to draw attention to some inescapable aspects of this, namely the existence of some form of assessment on which to base the tax, but also some way of estimating the likely yield and some, presumably 'prior', corresponding 'programme' needing to be financed. And also some method of recording, especially, variations from expectations - in modern words, budgeting and accounting. We apparently know very little about this process in the localities - how formal it was, what kinds of information were used, in what ways the 'fiscal balance' was struck between

collective expenditure and individual taxation, though history is full of accounts of unpopular taxation and reactions to it. But if we think back to the discussion about various forms of local government accounting in the context of debtors, what assumptions were made about collectable yields? Why do the published accounts dwell on rent debtors but seem not to deal with rate arrears to the same extent? If, as is argued, rates were 'inescapable', how then did rent arrears arise? Was this source of finance subject to different assumptions than the strictly 'legal' and enforceable land and property rent? How were the bases and rate of tax decided? How were the 'programmes' of local governance linked to them?

The assessment methods used and the extent to which these taxes could be avoided, which became evident when yields fell or failed to meet their collection targets (as they invariably did), were the subject of several inquiries, notably by the Taxes Board (1798). They found that the Land Tax quota set for each county (i.e. the total required by government was apportioned using the most recent valuation) was achieved in several different ways even within the same parish or hundred. Clearly the two components of the tax were the assessment/valuation of assets and the rate in the pound chargeable on those assets. The basis for assessment was the responsibility of unpaid commissioners appointed by Parliament who further appointed the assessors and collectors for each parish or hundred.

All sorts of factors affected the basis of the assessment, for instance geographical changes like development, enclosure of commons or houses falling empty (Binney: 51-2) as well as local politics and personal lobbying - an appeals procedure existed but the local assessor had the power to disregard his own assessment and revert to the 'customary' (and inevitably lower) valuation for a piece of land. The same is true for assessed taxes. Binney cites the following extract from the 1870 report of the Board of the Inland Revenue whose sentiments could doubtless have occurred in other periods:

“The following conversation [the report states] which really occurred between a member of the department and a parochial assessor, is worth preserving as an illustration:

A. I see that Mr. B. is not in assessment for either a horse or a carriage, though you know he keeps both.

Assessor (who is the principal butcher in the village): Sir, you must not be hard on a poor man like me. Mr. B. is my best customer, and if I were to charge him, after so many years he has gone without payment, he would give all his custom to X at once.”

(Binney, 1958: 53).

The Poor Rate

In terms of significance to the individual ratepayer, approximately 90% of all rates raised were for the relief of the poor, and the Poor Rate formed the basis for most of the other rates. Only the Church Rate and special rates like land drainage and urban improvements were collected separately, based on wards or drainage areas (although Carrington specifically refers to the county rate as ‘the Levy’). Periodic Returns of Expenditure on Poor Relief began to be made in 1802 -3, which purported to show that expenditure had doubled since 1783 and trebled since 1776. The Poor Rate raised £5,348,204, of which £4,077,891 was spent on poor relief (Poynter, 1969: 187-8). The job of the overseers was to collect enough in Poor Rate to cover the requirements of the county, parish and hundred, including the expenses of the Quarter Sessions. Indeed, it was usually the Justices who selected the two Overseers from lists submitted by the parish vestries. Hence John Carrington’s name can be found in the accounts of Bramfield Parish, the County of Hertfordshire and, as a consequence of his office of Constable, the Liberty of St. Albans.

His name also appears on the Land Tax assessment for Bramfield and the Militia Treasurer's accounts (Hertfordshire Militia and Volunteers) (Hertfordshire County Record Office, D/EX3/ 1- 38).

The duties he performed as Overseer of the Poor were based on two Acts of Parliament, Elizabeth I's Act for the Relief of the Poor (1601) and the Charles II Act of Settlement of 1662, although both were related to the long-standing fear of threats to social order from 'vagabonds' which various Vagrancy Acts were intended to control. Together with numerous local accretions and practices, these are what constituted the prime legal basis of 'the Poor Law' until the Poor Law Amendment Act of 1834. The Poor Law constituted:

" a network of law and practice which in two hundred years had become entwined in the fabric of society and the economic system. Englishmen exaggerated the uniqueness of their system of public relief, and accepted it as a venerable national institution, though the continual mutterings of criticism show that it was not thought to be perfect; early in the nineteenth century, however, the Poor Law became quite suddenly one of the chief public issues of the day, the object of a vigorous attack, and the centre of a controversy in which new assumptions of social order challenged the old"

Poynter (1969: xi).

As the Webbs (1927) discovered, generalisations about how the Poor Law was administered before 1834, especially in the parishes in different parts of the country, were hard to make because of the profusion of administrative units, their range of sizes, whether they were small rural parishes or combinations or crowded urban ones, their status, administrative structure and their degree of local autonomy: "in all cases accidents of local practice and of personal influence determined administrative operation" (Poynter, 1969:9).

This lack of uniformity was evident in the range of ways in which poor relief was offered. This basically consisted of money allowances, workhouse accommodation or employment, either in workhouses, at subsidised wages or through apprenticeships. The main source of contention from the 1780s till 1834 was the growth of various practices for offering relief to able-bodied labourers in addition to the 'impotent' poor - the sick, the aged, children, the mentally handicapped etc.. In the 'times of scarcity' beginning in 1795 many parishes in the south and east of the country followed the Berkshire magistrates of Speenhamland and linked their scale of relief to the cost of bread. It was the growth in outdoor relief that allegedly led to periodic financial crises in parishes (notably in 1795 and in 1812-13), the long term real growth in poor rates (especially in urban areas) and other economic effects such as the claimed distortion of national labour markets and adverse effects on labour productivity. But these perceived ills and the underlying reasons for them were widely disputed and debated both at the time and since (e.g. Smith, 1776; Townsend, 1786; Eden, 1797; Malthus, 1807; Royal Commission, 1834; Hammonds, 1911; Webbs, 1927; Polyani, 1944; Blaug, 1963; Thompson, 1966; McCloskey, 1973; Boyar, 1990). Whatever the actual nature of the discussion, its significance was wide:

" The debate on poor relief was concerned as much with government as it was with poverty"

(Poynter, 1969: xxii).

Within the parish itself or, under a local Act or after the Gilbert Act of 1782, in conjunction with 'unions' of neighbouring parishes, a workhouse would usually be maintained, providing 'indoor relief'. By Carrington's time, the practice of paying 'outdoor relief' either in the form of allowances in aid of wages, child allowances, seasonal payments or retention payments (the roundsman system) for those capable of work but temporarily unemployed or receiving below subsistence wages had become

widespread if not standardised. The intention of this was that the poor house should be primarily for housing the sick and the aged who were unable to support themselves. Partly as a result of the rise in poor rates, national returns of poor rate expenditure began to be made which showed that, on average, indoor paupers cost £12 3s 7d , whereas outdoor paupers cost on average only £3 3s 8d. The ability to make calculations of this kind, however unreliable, represents part of the introduction of a set of calculative practices which had a significant impact on the practice of government (see below).

What was revealed by the Returns, although allowing a more numerical way of conceptualising the problem, was not unknown by the authorities or the ratepayers. Schemes to make otherwise 'impotent paupers' financially self-sufficient by employing them on various manufactures in 'houses of industry' (workhouses with materials such as hemp or wool provided by the parish) or by contracting them out to local employers, as agricultural labourers or in textile factories (where workhouse children were particularly popular) continued. Both kinds of schemes were known as 'farming the poor' in an attempt to reduce their financial dependence on the parish. The financial self-sufficiency of the poor was a popular eighteenth century ideal, but schemes to achieve this end invariably failed to produce a profit and were largely abandoned by the early nineteenth century (Webbs, 1927: 221-7, 233-7; Poynter, 1969; Bahmueller, 1981).

Another source of financial pressure for parishes derived from the workings of the Law of Settlement. The main principle behind the law of settlement was that each parish was responsible for its 'own' poor i.e. those who had a 'settlement' there. Rights to settlement derived from birth, marriage (for females), owning a freehold, or a range of other means based on residence or employment which were constantly under threat of being changed. When labourers migrated to other parishes, were detected or became unemployed and

found unable to provide the required evidence of the means to support themselves, they could be removed back to their parish of settlement. However, establishing where this was became a complex and time-consuming business, especially given a financial disincentive for home parishes to accept responsibility. In a time of widespread migration, economic fluctuation and considerable sensitivity on the part of ratepayers to potential liabilities, the law of settlement gave rise to large numbers of disputes between parishes over who was liable for providing poor relief to individuals requesting it.

The origin of the law of settlement lay in the distant past: the notion that beggars and vagrants ‘belonged’ somewhere no doubt coincided with the sentiment that the community they ‘belonged to’ should also be responsible for any financial liability for maintaining them. In 1388, this was their birthplaces; later, this became their last dwelling or where they were known:

“Specific provision for transporting paupers from parish to parish until they reached their place of Settlement dated from the mid-sixteenth century when ‘aged impotent and lame persons’ who were beggars were to be conveyed ‘on horseback, cart, chariot or otherwise to the next constable, and so forth from constable to constable, till they be brought to the place they were born or most conversant for the space of three years, there to be nourished with alms’”

(Bahmeuller, 1981:21).

After the breakdown of the Elizabethan attempt to impose a centralised system for dealing with the problem, the Act of 1662 “for the Better Relief of the Poor of this Kingdom” imposed a £10 a year rent requirement (or other security attested by two Justices) to indemnify the parish where they were resident against poor relief expense. All kinds of devices, including bribery, kidnapping and even summarily driving women in labour over

parish boundaries, were resorted to by parishes to avoid becoming liable for poor relief. Even so, removal became a widespread practice:

“ [the Law of Settlement] was enforced in tens of thousands of cases a year [and resulted in] the mournful and onerous ‘general post’ of indigent folk, men, women and children, in all states of health and disease, perpetually criss-crossing the kingdom under expensive escort”.

(Webbs, 1927: 332).

It is estimated that, as well as the costs of maintaining the poor, parishes spent thousands of pounds on legal fees between 1662 and 1834 , e.g. rising from £35,000 in 1776 to over £317,000 in 1813-1815 (Poynter, 1969: 6-7). Some 50- 100,000 people a year were estimated to have been removed under Removal Orders (Webbs, 1927), and because of their expense and the difficulty of proving a claim, we may take it that this represents only the most visible of a host of easier devices. As a legal alternative to removal, parishes where the poor presented themselves for assistance, invariably in greater numbers in trade recessions (usually in urban areas), began to seek to claim the (possibly temporary) costs of poor relief from the parish of settlement (often rural). Faced with the more expensive alternative of having families returned to them with no visible means of support, they reluctantly agreed. This non-resident relief also became a source of bookkeeping pressure on parishes, requiring correspondence with and payments due or owing to a range of often distant parishes:

" A complex system of inter-parochial and inter-union accountancy sprang up"

(Rose, 1976: 35).

As Overseer, Carrington had the job of supervising the workhouse, the outdoor relief and dealing with relations with other parishes over pauper migrants, including keeping the

accounts for these transactions. His diary shows he could be sympathetic to the plight of the poor, but also that he was well aware of his duty as a parish officer:

“Friday evening [November] 29 [1799] Vestrey at Bramfield, Mr. Preston Overseer, to Settle somthing theese Dear times on the Large famileys, A man with 3 or 4 Children to have ½ pk of flower per week &c &c”

“Saturday [August] 27 [1800] Markets Rather Dearer, Best Wheat £4. 8. 0. Their was a great to Do in the Market to Day, for a fortnight Back I Sold a Load to the association of poor men held at Cambells, the Green Dragon, for 10sh pr Bushell & promisd them some more, Their fore they got a Great Cheair into the Market with a Mobb to Cheair me but I hid my Self, but it had an affect on Some of the Great Dealers and they was forsd to Fly.”

“Friday [September] 7 [1804] to Vestrey... to Grant Rate and for Crane for Cloaths for his Children, the woman Came in, her husband beat her & Left her. I Gave her 6d.”

(Johnson, 1973:43).

However, he also participated in general attempts to promote economy amongst the poor:

“Saturday [February] 7 [1801] Jorney to St Albans to Town Hall as a Meeting of the Justices and all overseers to Consider what Substitute instead of Wheaten Bread for the poor, or to Save the Wheat as much as possible as it bears the price of £5. 10s. per Load and Barley £4-10s pr quarter.”

(Johnson, 1973:57-8).

The accounts themselves consisted largely of what we would now call personal accounts, e.g.:

April 2nd 1804	Received of the Overseers of All Saints for Robekogh Deards for 18 weeks at 1s 6d p week	£1 7s -
April 6 1804	Poor in the House 1 week	£1 - 6d
	Faggots for the Poor in the House	6s 3d
	Day's wife 11 weeks to Easter	£1 13 -

April 16 and	Gave Squire & wife	1s -
throughout	Fizzick [physician] 2 weeks	2s -
April 21 1804	Paid widow Bazzell 1 month	£1 12 -
April 22	Pd John Leaver 1 month	8s -
etc. etc.		

(Hertfordshire Record Office, D/EX3/1).

Carrington's final role, that of Chief Constable responsible for seven parishes, required him, in principle, to be familiar with the entire corpus of English law, or at least those parts of it which were likely to apply to events within his jurisdiction. This provided the basis for deciding which cases should be brought before the Quarter Sessions (of Hertford as well as St Albans) and the Hertford Assizes. "He had also to attend all Statute Fairs within his area to ensure that customary rates of wages were maintained; and at Brewster Sessions he was wont to take under his wing four female licensees from Bramfield and Codicote. Periodically too he travelled round his district "to way the wts" of bakers:- that is to check whether the generally accepted deficiency of 4oz in a quartern loaf was or was not exceeded" (Johnson, 1973:15-16).

This office also gave him responsibilities for supplying men for the various Militias (including the Navy) necessary for sustaining the war. The number of men required was based on the number of assessed houses in each parish and names were drawn by ballot until the quota was reached. It became common practice for those whose names were drawn and who could afford it to find a substitute to send in their place. This could be done by a wide range of people; for instance, Carrington himself paid £20 for a substitute for his son Will in 1803 (Johnson, 1973:17). Carrington records that the ratio for seaman for Hertfordshire was 116, based on:

"the number of Taxed Houses in each Parrish, 67 of these houses that paid Window and door and house Tax were to find one man therefore a meeting of the Justices for

this County was Held... to allot the parishes quota of men according to there assessed houses. In my division as Follows, 5 parishes, 2 men, 3 do 1 man and so on The officers of each parish met together... and agreed to hier men according to there allotment, which wee did at 24£ or 25 pounds pr man And each parish paid his quota accordingly”

(Arithmetic Book, 1795; Johnson 1973: 25).

As overseer of the Poor, he was also responsible for paying allowances to the dependants of serving Militiamen. In 1821 these were: “1s 8d per week to the Wife of a Principal or drawn Man and 1s a week to the Wife of a Substitute and for every child” (Johnson, 1973: 18). Finally, he also, in 1801, took part in the first official census “taking account of the Number of Inhabitants”, which he found to be 192 in Bramfield and 743 in Tewin.

Having described the wide range of duties and responsibilities for which Carrington was both responsible and had to ‘account’, let us now look at the documentary evidence of the kind of accounts he was involved with. **Figure 1** shows an extract from the Minute Book for the Vestry of Bramfield Parish for two meetings held on 3rd and 27th May 1803. On the former occasion, a rate of three shillings in the pound was ordered “for and towards defraying the Expense of the Work-house lately erected” (the former workhouse having been burnt down). After the signatures and marks of seven officers is written, in Carrington’s hand: “The above Rate being disapproved of by the Justices was rendered null & Void.” At the meeting three weeks later, the Vestry “Ordered that the same be now made at four shillings in the Pound”.

Overleaf: **Figure 1:** Minutes of Bramfield Parish Vestry Meetings 3 and 27 May 1803 showing disallowed rate of 3s and adoption rate of 4s in the pound.

(Hertfordshire County Record Office)

Parish of Bramfield in the County of
W. of Hon. A. Pitt a Vesting met the
3^d Day of May 1803

Resolved that a Rate be forthwith
made at three shillings in the pound
per ann. towards defraying the Expence of
the Work-house lately erected.

Joseph Dandy Clerk, Quacchos

John Corningford

James Allen his Overseers

Boriam Corston

John Jennings his Clerk & the under-
written

Richard D. Burgess

Thomas Westbury
The above Rate being approved of by the
Justices was ordered to be levied

Parish of Bramfield } 2^d 14th May 1803
in the County of W. of Hon. A. Pitt

At a Vesting met the Date above
written in the Church of the said Parish
for making a Rate for the Use of the Poor
Ordered that the same be now made
at four shillings in the pound which was
accordingly done & signed by the Parishioners
under-written.

Joseph Dandy his Clerk Quacchos

John Corningford

James Allen his Overseers

Rich^d Burgess his Clerk +

Boriam Corston

In his diary, Carrington records an earlier attempt:

“Wednesday [March] 2d to Vestry at Bramfield, Vaux overseer for a Rate of 2s-6d in the pound for & Toward paing the Building of a New Workhouse or poor house which is now Just finished, Bassett Carpenter & Mumford Bricklayer, cost neer £300...”

(Johnson, 1973: 83).

There clearly had been some kind of financial problem with the new Workhouse, since not only was a rate of 4s eventually needed, but Mr. Vaux was not reappointed to oversee it:

“Tusday [May] 3d to Bramfield Vestrey When I and allen Excepted the office of overseers, For the Justices appointed us as would not appoint Mr Vaux”.

The ‘contractors’ seemed also to be in trouble:

[May 14th]...“Staid late this 2 Saturdays Nights in Settling Bassets account or he must went to Gaol, I paid 56 pounds and Preston 30 for him”

(ibid.:85).

These actions apparently proved sufficient, since in 1804 the rate was set at 1s-6d in the pound (see **Figure 2**). Mr Vaux was renominated as one of the Overseers in 1805 (Vestry minutes). This episode demonstrates, amongst other things, that it was the practice to meet all outgoings, including those of a ‘capital’ nature, in the year in which they arose.

Overleaf: **Figure 2**: Accounts of the Overseer of the Poor for the Parish of Bramfield 1804/5 (page 1 only).

(Hertfordshire County Record Office)

Account of Money Received by John
Carrington, overseer from Easter 1804
to Easter 1805.

1804		£ 00
April 2 nd	Received of Nunyan 1 yrs Rent	2 10.
	Do --- Hart	1 10

Rec. The of Overseers of Great Amwell, for W ^m Day's Wife to Easter L st 1 Weeks, at 3 Week	}	6 3.
---	---	------

Received of the Overseers of St Saints for Robert's Deards for 18, Weeks, at 1. 6. 0 Week	}	1 7.
---	---	------

Rec. of Murnford towards the Maintenance of the Poor House	}	2 6.
---	---	------

Balance in Hand of last Year's	21 14.
--------------------------------	--------

Amount of the 3 Rates at 1/6 in the Pound	}	189 0.
--	---	--------

	224 10.
--	---------

Figure 2 shows the first page of Carrington's Overseer's accounts for the period 'Easter 1804 to Easter 1805', beginning with the known receipts e.g. parish rents. The '3 Rates' i.e. Poor, Liberty and County rates totalled 1s 6d in the pound and yielded £189 0s 1d (i.e. this was the **expected** yield). Some security against underpayments (or over expenditure) is provided by "Balance in Hand of Past Year's... £21. 14s.0d". Some debts from the previous year were paid: e.g. from 'the Overseers of Great Amwell for Wm Day's wife to Easter 41 weeks at 3s per week... £6 3s 0d". Although the entry is dated April 2nd, Carrington didn't in fact receive the money until April 5: "To Mr Brown's Amwell Bury, on poney To Receive Money of him as overseer for Great Amwell Paid to Day's Wife at Bramfield as her husband went Substitute for a person at Great Amwell" (Johnson, 1973: 97).

The payments follow in date order, each page being totalled and carried forward to a summary. Mostly, they are for expenses in connection with the workhouse, or Carrington's personal expenses, but include payments of 'the Levy' to the county and judicial authorities. So it is entirely a 'receipts and payments' account, perhaps unsurprisingly for an uneducated minor public official in a rural parish, but one who certainly had a quite complex set of financial transactions and responsibilities to record and account for.

Overleaf: **Figure 3:** Land Tax Assessment for the Parish of Bramfield, 1804, signed 'John Carrington Collector'.

(Hertfordshire County Record Office)

Hun. of Cashier } An Agreement Made in Pursuance
 of the Board of Trustees } of the State of Indiana Land Tax
 & County of Hartford } for the Service of the year 1854

Names of Proprietors	Names of Occupiers	Same Affected & Exonerated			Same Affected & Exonerated		
		L	S	D	L	S	D
Earl Granderson	Thos. Whittenburg				10	6	4
Paul Bedford	Self				1	0	0
Rich Emmott Esq.	Bryant Preston				11	13	4
D. - - - -	Self				0	10	0
The Rev. E. W. Bouchier	Self				11	17	4
D. for - - -	The Ivey House				1	0	0
Wm. Scarante	M. Vaux				4	2	0
D. for - - -	upper stockings				1	0	0
D. for - - -	The Ale House				0	6	0
Earl Granderson	M. Vaux				12	13	0
D. - - - -	D. - - - -				6	9	0
D. - - - -	Mrs. Hunsdon				14	17	4
D. - - - -	James Allen				7	0	0
D. - - - -	Joseph Deards				1	10	0
Mrs. Hunsdon	Rich. Burges				0	19	4
Earl Cooper	John Carrington Esq.	8	0	0	104	16	0

John Carrington Esq. 25th day of June 1854

John Carrington
 Collector

John Kentish

John Emmott

J. C. Gape

Figure 3 is an example of an assessment, in this case for Land Tax for the Hundred of Casio carried out in 1804. Carrington himself signs as ‘Collector’, with three other assessors. He also appears as an occupier of land belonging to Earl Cowper (i.e. Bacons farm), but is ‘exonerated’ from the sum assessed of £8. 0s. 0d. The assessments show the amount due rather than the valuation, but the 4s poundage would give a valuation of some £427 per year.

Carrington gives an account of an earlier assessment:

"Memarandon the Parish of Bramfield was surveyd by 2 Men Mr Field of Hexters End in the parish of Northchurch, Harts and Mr James Gutteridge of Eaton Green Near Luton Bedfordshire in the Latterend of Last Month May 1798, they was 4 Days in Going over all the Grounds at 1 Guineas Each a Day, so 16£s 16s. It was Done by agreement of our selves upon Account of Not being Eaquilly Rated in the poor Rates, so we agreed to be Rated by their Surveying, so some Lands was Sunk and some Risen"

(Johnson, 1973: 32).

To demonstrate that Carrington’s accounting methods were reciprocated by the superior authorities (and his social superiors who prepared them), **Figure 4** shows an edited form of the accounts for the Liberty of St Albans for 1793/4. Here there is an interesting development: the left hand page is headed ‘Dr’ and the right hand page ‘per contra credit’. However, the accounts are otherwise prepared on the same basis, receipts and payments, as Carrington’s. There are no debtors or creditors, even though not all the Constables had paid in full (“do of Mr Hill on account £50”). This raises the interesting

Overleaf: **Figure 4**: Accounts of the Liberty of St Albans 1793/4 (extract).

(Hertfordshire County Record Office)

Figure 4: LIBERTY OF ST. ALBANS

Extract of Treasurer's Accounts beginning Easter 1793

[LH PAGE]

	Dr £	s	d
John Boys Treasurer for the Liberty of St Albans			
by cash recd of the Executor of the late Treasurer being the Ballance of last year's account	150	8	10 1/4
By cash of Mr Carrington in full for levy 1793 to 1794	80	-	-
do of Mr Dagmell	120	-	-
do of Mr Hill on account	50	-	-
do of Mr Sedgwick	135	8	4
By cash recd of the Treasurer for the County of Middlesex for the like sum paid for the maintenance of the Family of John Newby serving in the militia of the County of Middlesex	2	-	-

[etc etc]

[RH PAGE]

	Per	Contra	Credit
To the contractor for conveying vagrants at Quarters salary due this day			
To the Constable for conveying of vagrants			
To the Overseer of the Poor of the Parish of			
To myself as Solicitor for the Expense of Prosecuting the rioters at [Barnet?] by Order of Court etc.			
[Total of RH pages]	456	17	9 1/2
Due from the Treasurer on Ballance [Net LH pages]	112	12	4 3/4
[total 'accounted for' by the Liberty]	569	10	2 1/4

1794 May 1 Allowed

[4 signatures]

possibility that the new Treasurer Boys was aware of accounting conventions in use elsewhere and was determined to demonstrate his superior knowledge of how accounts 'ought' to look, even though he has plainly not seen, or would or could not introduce the 'advantages' which the double-entry convention 'ought' to give him.

Another superior authority's accounts are shown in **Figures 5 and 6**: those for the county of Hertfordshire, 1804. Here, the practice of putting debits on the left hand page is also followed - except that the page is headed 'Charge' and continues onto the right hand page until the total debits are reached (£2696. 12. 7½). Debtors are noted as a memorandum item ('monies remaining unpaid by Chief Constables viz John Page'). Also of note are the inter-county receipts for Militia families etc., and a 'capital' receipt for the sale of the 'Old Brideswell at Hertford' £264. 8. 2. net.

Following the total debits, the heading 'Discharge' is given, followed by the payments. Although the account is summarised, the summary is referenced to the list of individual transactions which follows. Finally, the summary reconciles to the 'Balance in Treasurers Hands'. This procedure did act as a control device, since 'overcharges' of £5. 1s. 2d. were discovered by this means, evidenced by the need to amend the 'audit certificate' accordingly (**Figure 6**).

Overleaf and overleaf opposite: **Figures 5 and 6** Treasurer's Accounts, Hertfordshire 1804 (extracts).

(Hertfordshire County Record Office)

Figure 5: Treasurer's Accounts, Hertfordshire, 1804 (extract)

" A Summary of the Accounts of Mr Henry Alington, Treasurer of the County of Hertford."

[LH page]

Charge

	£	s	d
Received of John Ramsey his Arrears due Easter Session 1804	76	12	6
Received of John Page his Arrears due Easter Session 1804	48	13	3 3/4
By balance of last Years Accounts	715	5	2 1/2

Levy granted Easter Session 1804 was £1500

Monies remaining unpaid by Chief Constables viz John
Page £62. 7. 6 1/2

	1437	12	5 1/2
Received of the Receiver General of the Customs for Returns of Corn - Bishops Stortford £ 4. 18. 0)			
- Royston £ 5. 4. 0)	10	2	-
- Hertford £ 5. 4. 0	5	4	-
Monies Received of Treasurers of Counties e.g. of Mr Grepp Treasurer of Essex [re] James Wiseman [8 similar items]	5	5	-
Received of Mr Blann for the purchase of the Old Brideswell at Hertford £264 8 2			
Stamp £- 3 0			
£264 5 2	264	5	2

[RH page]

Monies Received of Parishes on the Militia Account e.g. of the Parish of Stevenage [re] John Whiteway	11	8	-
--	----	---	---

[17 similar items]

[Total Charge]	£2696	12	7 1/2
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Figure 6: Treasurer's Accounts Hertfordshire 1804 (extract)

[RH page ctd.]

"Herts 22 April 1805 We whose names are hereunder written Justices of the Peace for the said County at the General Quarter Sessions of the Peace held this day have examined the foregoing accounts and do allow of and pass the same and that there remains in the Treasurer's hands the Sum of Nine Hundred and Eighty Seven [two deleted] pounds two [one deleted] shillings and seven [five deleted] pence three farthings -

	£	s	d
Charge	2696.	12.	7 1/2
Discharge	<u>1714.</u>	<u>11.</u>	<u>1 3/4</u>
Balance in Treasurer's Hands	982.	1.	5 3/4
Overcharges vide pages 151, 152 + 156	<u>5.</u>	<u>1.</u>	<u>2</u>
	987	2	7 3/4"

Analysis and Interpretation

The accounts maintained by Carrington and his social superiors in the County of Hertfordshire represent a partial glimpse of the governance of Bramfield parish. In their entirety (including the accounts of the land and assessed taxes subsumed under those of the Sheriffs of Hertfordshire on behalf of the King) they constitute an interlocking 'account' of the governance of the parish, measured in monetary terms, and each prepared at the behest of a superior legal authority, ultimately Parliament and the Crown. They are prepared according to a common set of conventions deriving from medieval ecclesiastical practice (Hoskin and Macve, 1994b) which seems to propose an unproblematic view of the world: i.e. that rates and taxes are legitimate and just, will be paid as assessed and

handed over to the nominated collector when due. The fact that this perspective could be seen to be compromised by the lower yields than expected and the various means available to alter liabilities does not seem to be a problem because the income assessed took into account these little imperfections (so long as the Treasurer remained 'in ballance' and didn't abscond). Rates and taxes seem to be highly variable in this period due to the demands of the Exchequer for men and supplies to perpetrate the wars (and the large swings in commodity prices and interest rates), and due to local variations arising from e.g. meeting the whole cost of a new Workhouse in the year in which it was built. The demand for the yields from taxation, together with the inter-authority transactions notably for the poor and the militia seem to constitute a 'web of calculation' in which most citizens were involved, either as taxpayers, 'welfare' recipients or emergent 'officials'. We have seen how extensive this network of relationships was even in a small parish. Put in mathematical terms, we might say that, with 192 inhabitants in 42 families, living in 28 houses with 17 households liable for land tax and numerous (at least 5) assessed taxes together with three rates for four distinct authorities and at least four different purposes, disbursed in a wide range of payments, the number of individual transactions 'accounted for' by Carrington was huge. This set of accountings in its turn relied on other calculative technologies of land management, economic and actuarial calculation etc.. Yet the accounts themselves which represent this complexity at the level of the appropriate authority (parish, Liberty, County, Receiver-General) are in one of the simplest conventions known, capable of being maintained for a whole community by a tenant farmer, of lively intelligence but without formal training. And these were far from the only financial transactions he dealt in, having also his farm to run, rents to collect, market prices for cereals and livestock to monitor and tax to pay on his own property and income.

We know his only basic level of numeracy from the exercises he (it is believed) carried out in the Arithmetic Book (a school book, assumed to have been obtained from his son, in

which exercises such as simple tables and arithmetical exercises, including simple weights and measures, land and some simple accounting were printed and which Carrington also used for general notes before he started his diary regularly). Yet so far as we can tell from his diary, he performed his considerable duties for at least a dozen years without ever failing to meet his obligations to hand over and account for the sums he was responsible for. Though it happened that from time to time there were delays in collecting individual debts, it did not apparently seem necessary to the 'accountants' in the County, Liberty or Exchequer to change their methods to accommodate this.

We might say that this demonstrates the true power of accounting: its ability to constitute an individual in a network of collective relationships and obligations yet to represent these relationships in a simple summarised yet inclusive set of conventions corresponding to extant organisational configurations. Accounting in this role shows its power both as a governmental technology and as a political rationality (Rose and Miller, 1992). Yet it is also clear that this power depends on a range of 'adjacent' calculations: notably, methods of valuation and means of apportioning the costs of programmes of government into financial liabilities in a way accepted as legitimate (if not 'fair'). The modern boundaries of accounting seem not to map well on to these ensembles of practices, many of which have been subsumed by non-accounting professions such as surveyors and valuers (see Chapter 3). In Carrington's time, however, far from being a highly specialist expertise, 'accounting' was performable by 'accountants', many of whom were able to carry out their tasks without training beyond basic literacy and numeracy, though the latter, in particular could be required to deal with an extensive range of quantifiable relationships. The conventions they followed were based on long standing manorial practice (e.g. Harvey, 1976) amended to reflect the combination of individual 'stewards' into a collective form of government represented by the parish and other governmental institutions.

So we might say that community-based accounting reflected changes in forms of government, but that these were in essence only minimal e.g. that the individual parish officers still offered personal stewardship accounts in the same way as their feudal predecessors, though they did not always still refer to 'Charge' and 'Discharge', but 'Account of Money Received' (figure 2), 'Receipts and Payments' (e.g. the accounts for the town of Sandwich in Kent for 1779/80) or even 'Dr' (figure 4). The reasons for adopting the double-entry format (and of even what the double-entry format would amount to for these bodies beyond recognition of debtors and creditors) seem less than compelling. The emphasis on double-entry bookkeeping can be seen instead as something of a diversion from important developments in relations between government and governed which accounting and related practices did much to embody if not create (though the argument in relation to Boroughs may be more complex - see Ch. 3).

But if that is a rather minimal interpretation (albeit differing from the others available), how can these specific calculative practices be related to a wider context? The only general line of analysis in the current literature for this period seems to be the claimed relationship, almost an assertion, between pressure for change in local accounting practice and the 'movement for Economical reform' (Jones, 1985: 395 and above, cf. Binney, 1958). But even if it is possible to see the Economical Reform movement of the 1780s as a significant change in English governmental practice (Baker, 1973; cf. Hume, 1981: 46 n106), its relationship to the institutions and practices of local government need to be explored rather than assumed. These practices certainly cannot be seen entirely in terms of a fiscal crisis of central government leading to a directly corresponding desire to control expenditure in the localities and thence to the need for the production of regular and reliable accounts ('the financial control function' - Jones, 1986). The possibility of the Economical Reform movement itself relied on concepts and language employed in the new discourse of political economy which had been gradually constructed throughout Europe

from the older concepts of police and oeconomy and newer ones like political arithmetic during the preceding 50 years (Hume, 1981: Ch. 2; Foucault, 1977, 1981). It also depended on new attitudes to measurement (Kula, 1986), as in the standardisation of weights and distances (but not yet spelling), and calculation (and hence economy and probity) from scientific institutions like the Astronomical Society, which led to new calculative practices in areas such as statistics, insurance, finance, exchange and property as well as accounting (Ashworth, 1994; Burchell et al., 1991).

These new discursive formations provided the space within which both the debate about the Poor Law and the various national schemes for reforming it like Bentham's and Whitbread's could locate themselves (Dean, 1990). Political economy provided new rules and expectations of how to construct and conduct valid argument and debate. These came to depend on the performance and collection of various calculations and statistical returns ('intelligence') which could only be obtained by adopting detailed and consistent recording and bookkeeping practices and making them available to a central authority through the principle of 'publicity' (Bahmeuller, 1981; Poynter, 1969). These modes of discourse eventually became dominant in producing governmentality (Miller and Rose, 1990). But an important and as yet unrecognised constituent of these techniques of 'populations' and 'bio-power' (Foucault, 1977, 1979; cf. Rose, 1996) was the construction of the embryonic national web of calculation and government produced in the localities of England by humble parish officers which constituted them as 'centers of calculation' (Latour, 1987; Miller, 1992) through which both individuals as taxpayers and the poor as recipients could be 'calculated about' and 'accounted for' in the calculable institutions (such as parish, poorhouse, parliament, property and labour markets) which constructed and contained them.

This line of argument, though itself fragmentary and requiring further elaboration, seems potentially to offer a much more insightful interpretation of the practices of local government accounting and administration in the period around 1800 and their significance. It offers a route linking the specific historical archive of a set of accounts with the broadest and most polymorphous of historical narrative whilst making an interpretation compatible with a set of theoretical themes without imposing those themes *a priori*. It begins to locate a set of practices within a unique historical context not in order to search for origins but to help us understand how what seems necessary and self-evident to us (e.g. the need for 'proper accounting' for governmental activities) came to be constructed and could perhaps be constructed differently (Foucault, 1991).

Conclusion

This Chapter has reviewed the historiography of accounting history and related it to wider epistemological and ontological debates which have been conducted in the discipline of history. It has noted that accounting history has so far largely failed to reflect or come to terms with the implications of these debates. Although social and behavioural factors have become more prevalent in the discipline, there remains a widespread concern over forms of accounting in various historical periods as they have contributed to the practices we recognise today, rather than their wider historical significance. Some writers have attempted to produce 'new' accounting history which recognises the limitations of this approach, but these studies are so far rather few in number and have themselves attracted criticism from various positions, mainly on grounds that they ignore the archive in order to present a predetermined theoretical position about the significance of the practices under review. It is contended here that, despite claims made by critics of 'new' accounting history, anti-realist accounting histories have not yet appeared, although there are some

signs that they may be in preparation and it would be surprising if the historical trend of partially reproducing movements in mainstream history did not continue (cf. Cooper and Puxty, 1996). It has also been argued that current disputes between 'traditional' and 'new' accounting historians would be worsened if this came about, threatening the future of accounting history as a coherent discipline (Funnell, 1996).

To avoid this, calls have been made to seek tolerance and common ground between traditional and new accounting histories, based on evidence that whatever their stated theoretical position, accounting historians have continued to show commitments to certain aspects of facticity and narrativity (Funnell, 1996). There is also some evidence that 'new' histories have not altogether escaped the problems of teleological readings and also a need for them to recognise and engage with the detailed archival research characteristic of traditional historians.

On the other hand, much of current accounting history, despite protestations that the archive must 'speak for itself', continues to exhibit many of the characteristics for which it has been criticised. It remains largely teleological, ideological, positivist, empiricist, and to some extent ahistorical through its commitments to facticity, narrativity and the ultimate inevitability of the present. Yet the ability of new histories to engage in detailed debate on these issues on a case by case basis rather than by abstract claims to epistemological superiority is compromised not only by different conceptions of the purpose and methodology of history, but also by their relative scarcity.

Local government accounting has not only been badly neglected by accounting historians until recently, but has so far not received an analysis which recognises its potential importance as a significant influence on the changing nature and role of modern

government since the eighteenth century. Through a detailed contrasting presentation of a published study which focuses on the introduction of double-entry bookkeeping into local government accounting with an interpretation based around the calculations being conducted in a specific locality by an untrained official, the limitations of the former become evident even in its own terms. The historically contingent nature of accounting itself in a local government context becomes apparent, prompting questions about how the ensemble of practices we today regard as accounting came to be constituted as such and what the significance and contribution of these practices and the accounting profession which advocates them may be.

The Chapter proposes an identification of the eighteenth century Poor Law administration as a discursive field which came to constitute not only the basis of a national debate about poverty and its management but also, through the calculative practices surrounding its administration, an embryonic national web of calculation in which individual citizens were both constituted in numerical terms but were also directly related to each other through the calculative mechanisms and records of local institutions. This set of relationships made up and made visible by these practices contributed to the eventual construction and inclusion of all citizens in their modern mode of governable and calculative subjectivity, and as such attributes local government accounting with a hitherto unacknowledged significance.

NOTES

¹ Perhaps because by this time, bookkeepers and bookkeeping has a low occupational status, compared to its 'middle class' status in the medieval period (Roslender, 1992:113-4).

² The question of the search for 'origins' has come to be an important part in these debates. Despite criticising the linearity and teleology of traditional history, some neo-

Foucauldian writers seem to have concentrated heavily on searching for 'origins', e.g. of managerialism (Hoskin and Macve, 1988a, 1988b, 1994a; Hoskin and Zan, 1996). There is clearly a difficulty in separating a search for 'the conditions of possibility' of a particular mentality or sensibility from a historically conventional search for origins. Foucault's own writings and interviews are claimed to be ambiguous on this point (Fleischman et al., 1995).

³ Even among historians, the extent of any significant change in attitudes in the 1780s is disputed. Although Baker (1973) argues for a real shift, Hume (1981: 226 n 106) sees "a new sense of urgency and a greater sophistication, but little change in approach".

⁴ A significant conclusion by both Jones (1986/1992) and Coombs and Edwards (1995) is that there is "empirical support" for the "contention that accounting innovation was supply driven rather than demand led" (Coombs and Edwards, 1995: 104), a conclusion which seems to be at odds with the 'problem-solving' hypothesis since it suggests that 'accountants' were producing 'solutions' to problems only they themselves regarded as being needed.

⁵ Information concerning the exact form of accounts kept within government departments as against the considerable emphasis on the vote and appropriation system and the audit of the 'public' accounts (e.g. Chubb, 1952, and the Parliamentary Papers themselves) is particularly hard to come by. Neither Roseveare (1969) nor Binney (1958) comments on the form in which the internal accounts of government were kept, rather than as they were reported (i.e. in accordance with the vote accounts).

⁶ An alternative perspective on accounting change at the University of Oxford in this period which presents the shift from charge/discharge to double-entry in terms of a shift from communitarianism to 'etatism' is given by Jones (1994).

Chapter 3: Inscribing Liberal Government : the Professionalisation of Municipal Accountancy, 1835-1914.

This Chapter reviews the professionalisation literature and considers the professionalisation of local government accounting in the mid- to late nineteenth century.

"We need to study the humble and mundane mechanisms by which authorities seek to instantiate government: techniques of notation, computation and calculation; procedures of examination and assessment; the invention of devices such as surveys and presentational forms such as tables; the standardisation of systems for training and the inculcation of habits; the inauguration of professional specialisms and vocabularies; building designs and architectural forms - the list is heterogeneous and in principle unlimited"

(Miller and Rose, 1990:183).

Professionalisation - competing perspectives

Any study of governmental accounting practices needs to be concerned with an examination of the work of what we now regard as municipal accountants in the period where much of the familiar Anglo-American occupational boundaries and professional statuses were being defined, that is, in the Victorian and Edwardian periods during the creation of the 'professional society' (Perkin, 1989). Current sociological and historical literature on professions stresses the dangers of assuming that we know what a professional is (Torstendahl, 1990), or that the process of professionalisation is universal and developmental (e.g. Abbott, 1988: 9 - 20). In particular, different perceptions and configurations of knowledge-based groups can be shown to exist in America, Britain, France, Germany, and continental Europe and Scandinavia (Torstendahl and Burrage, 1990). Key variables are said to be the mode of transfer of knowledge, the shape of the state and the nature of relationships with clients and employers (Torstendahl, 1990).

Other perspectives stress the strategies of occupational groups in creating and exploiting a market for their expertise (e.g. Larson, 1977) and the competitive and uncertain nature of this process (e.g. Abbott, 1988). The latter ecological perspective in particular raises issues about the nature of professional discourse itself and broadens the field into discursive theory more generally. Other themes of particular relevance to this Chapter are the effects of large scale employment of professionals in corporate or state-sponsored organisations and the possible tensions between these two types of employees, and the Anglo-American 'ideal' of the autonomous self-employed practitioner (e.g. Perkin, 1989; Davies, 1983), together with the alleged 'proletarianisation' of professional workers (e.g. Braverman, 1974; Oppenheimer, 1973). The debates about discursive power raise questions about subjectivity, authorial and authoritative voice and the control of 'authorised' utterances by a 'centre' over a 'periphery' of speakers (e.g. Larson, 1990). This concern relates well to issues of translation and action at a distance in which expertise, and particularly calculative expertise, has a distinctive role to play (Callon, 1986; Latour, 1987; Miller, 1992; Miller and Rose, 1991).

The initial focus of the chapter is however the basis and control of the jurisdiction of the municipal accountant in the nineteenth century, the nature of the problem-solving knowledge base and the intrinsic and extrinsic factors which led to this occupation establishing and maintaining itself as a recognised professional grouping. These concerns must first be located in the debates surrounding professions and professionalisation.

Growing out of the specialisation and division of labour apparent in the process and outcome of industrialisation, the concept of profession has, through the work of leading social scientists such as Parsons, come to be regarded as one of the key distinguishing features of contemporary industrial society (e.g. Bell, 1973). The power and authority of experts is said to characterise modern life (e.g. Haskell, 1984) almost

to the point of making us believe we are unable to offer a valid opinion on anything we are not 'expert' at (e.g. Illich, 1977). Even if we believe we have expertise, our ability to offer a view which differs from the accepted expert consensus is likely to require considerable resources and tenacity to sustain in the teeth of the 'official' commentators. Yet change in professional knowledge, status and organization occurs.

How it occurs, what processes are involved and what multiple perspectives can be applied to these changes are subject to considerable debate. In the post-World War II period there have been repeated calls for a 'new' approach to the study of professions as one perspective succeeded another. The long sociological focus on classification led Friedson to observe that we are no nearer a definition of profession than in 1915 (Friedson, 1983), although there seems now to be a degree of consensus among researchers into professions from many perspectives that knowledge systems are an essential ingredient to the discussion. For example:

"The theory of professionalism has to do, in one way or another, with how knowledge (and/or skill) is used by its owners as a social capital and not only for purposes connected with the immediate problem-solving to which the system itself may refer"

(Torstendahl, 1990: 2);

or:

"professions are exclusive occupational groups applying abstract knowledge to particular cases"

(Abbott, 1988: 8);

or:

"[professional power is] the exclusive privilege of defining *both* the content of its knowledge and the legitimate conditions of access to it"

(Larson, 1977: 48, emphasis in original);

or later:

" *structurally*, profession is a link between codified knowledge and practice, in a world of not-knowers or of less knowing laity"

(Larson, 1990: 44, emphasis in original).

Prior to these formulations, the sociological literature on professions for most of its existence in the twentieth century has adopted a trait model of professionalism, leading to research into identifying and defining exactly what the trait consisted of - either contained in individuals or in the supportive institutional arrangements or both - and how its qualities were to be acquired (Friedson, 1983; Abbott, 1988). Although it is now recognised that the concept of profession itself has an Anglo-American bias, it is also accepted that a typology of occupations can be devised and applied in all industrial economies using a number of criteria (autonomy, expertise, ethical codes, enforceable exclusivity etc.) which result in a continuum with a privileged group of experts at one end (Torstendahl, 1990).

Until fairly recently, the historical and sociological literatures on professions have been widely divergent. Historians tended to dismiss the sociologists' concerns for definitions and categories but, despite research into a whole range of individual professions, ultimately found themselves lacking a clear theoretical focus (Haskell, 1984).

Meanwhile, economic perspectives concentrated on the closed nature of the professional market, whilst political scientists and policy makers regarded professions as privileged private governments with a narrow and insular approach to defining the public good (Friedson, 1983).

However, it remains a common complaint that until recently most research was largely based on the two 'paradigm' professions of law and medicine and their organisation in the Anglo-American model. This means that the English language literature is still dominated by Anglo-American writers and studies of single professional groups which compare the studied group with the ideal types (Friedson, 1983). Early 'trait' research was conducted with a positive view of professional modes of work as an antidote to the perceived evils of untrammelled free market capitalism - e.g. by Tawney, Durkheim and Peirce (Haskell, 1984). Weber was interested in the challenge to the rational order represented by the charismatic aspects of, for example the English bar,

but was apparently unable to reconcile the organisation of Anglo-American professions to the German expert communities largely organised by the state (Dingwall and Lewis, 1983; Abbott, 1988; Torstendahl, 1990). Much effort was expended on inventories of professional virtues and attempts to compare occupations with the ideal list (e.g. Carr-Saunders and Wilson, 1934).

The two major contributions to research into professions in the early post-war period were by Parsons and Hughes (Dingwall and Lewis, 1983). Parsons pursued the idea of professions representing a challenge to the rational utilitarian theories of social action and concluded that professions rested their authority on the same bases as the monocratic bureaucracies characteristic of capitalist societies, namely functional specificity, restrictions on their domain of power and application of standardised universal rules and procedures regardless of the personal characteristics of the subject. In contrast, Hughes followed an empirical approach. The dominant sources of professional power resulting from his work were those of licence and mandate - licence to carry out particular kinds of work and mandate to decide how that work should be done. In Hughes's formulation, professional power rested ultimately on access to privileged knowledge about potentially destabilising aspects of society - e.g. disease, sin and crime - and on undertakings to 'deal' with these features without disclosing this 'guilty' knowledge or using it for evil purposes. In principle, any occupation could aspire to some sort of professional authority and Hughes left open the question of exactly what a profession was. In retrospect, both Parsons and Hughes neglected the roles of the marketplace for professional work and the societal context involved. In addition, or as part of this neglect, their work was not historically grounded (Haskell, 1984).

The perceived success of the paradigm professions in the nineteenth century was accompanied by a favourable view of the values espoused by these groups, such as objectivity, disinterestedness, selflessness and self-regulation. This positive view of

professions heavily influenced early academic work and encouraged interest in the process of professionalization, i.e. how these virtues were acquired and developed. The proliferation of acknowledged professions by the early 20th century seemed to suggest a widespread tendency towards professional status as an end state in an occupational trajectory. It was proposed that 'the professionalisation of everyone' was a natural evolutionary process and that there were recognised organisational stages in this evolutionary process. Trust, respect, associations, licence, schools, journals and codes of ethics were the main criteria (Wilensky, 1964).

In the 1960s, however, scepticism about the professional virtues began to spread and in particular, the assumption of selflessness was undermined. The benefits of professionalisation to the practitioners themselves rather than society at large began to be stressed, leading to Johnson's dictum : "a profession is not, then, an occupation, but a means of controlling an occupation" (Johnson, 1972: 45). Professional aspirations began to be seen in terms of economic control, through devices like credentialism (e.g. Friedson, 1970). One further step saw social groups 'creating' the needs which only they were qualified to deal with, thus creating a market for professional expertise which had not previously existed (or at least articulated in that form). Thus the 'professionalisation project' with the implicit or explicit aim of creating monopoly power over areas of social concern came to be seen as central to the concept of profession (Larson, 1977).

This was evidence of an interest in the consequences of professionalisation primarily to the profession itself rather than society at large. Despite criticism that a focus on the individualistic Anglo-American professions favoured the adoption of a market-based theoretical approach, Larson also stressed the impact of the state and the mode of social organisation which led to bureaucratisation and a depoliticisation of certain social decisions. So despite excluding some organisationally based groups such as the military and the clergy and some subordinate professions like nursing, she brought the

concept more into line with continental models. But the focus of analysis had also moved from the level of the individual professional transaction e.g. between doctor and patient, to one of concern about the profession as a whole and its social consequences (Abbott, 1988: 5 -19).

Despite the significant theoretical differences between the liberal and Marxian approaches of Friedson and Larson respectively (Haskell, 1984), their conception of professionalisation in this period is seen to have much in common with earlier views of it. Abbott summarises these as follows:

- an assumption of unidirectionality i.e. occupations progress towards professional status;
- an assumption that one profession's development is independent of another's and that boundaries between professions are clearly recognisable;
- an assumption that structure (how the profession is organised) is more important than the work it does;
- an assumption that professionalisation is a general process without any history of its own

(Abbott, 1988: 18 -19).

Although not all writers were associated with all these assumptions, the collective effect of rebuttals to them seemed to require a different approach to the issue of professionalism. In particular, the tendency to view professionalised society as a more or less stable set of relationships and professionals as more or less homogenous groupings was undermined by a focus on deprofessionalisation and loss of autonomy associated with labour process theorists (e.g. Oppenheimer, 1973; see Esland, 1980) on the one hand and historical studies stressing the lack of homogeneity of professionalising occupational groups on the other (Haskell, 1984). This led Abbott to propose a refocussing of professionalisation studies away from structure and towards work, making work the arena in which occupational groups compete for control:

" The central phenomenon of professional life is thus the link between a profession and its work, a link I shall call jurisdiction. To analyse professional development is to analyse how this link is created in work, how it is anchored by formal and informal social structure, and how the interplay of jurisdictional links between professions determines the history of the individual professions themselves"

(Abbott, 1988: 20).

The very diversity of professionalisation stories (successful and unsuccessful) and the fluctuations in the formal aspects of professions show a need to understand their context. But this brings us back to knowledge:

"This context always relates back to the power of the professions' knowledge systems, their abstracting ability to define old problems in new ways. Abstraction ensures survival. It is with abstraction that law and accounting fought frontally over tax advice, the one because it writes the laws, the other because it defines what the prescribed numbers mean"

(Abbott, 1988: 30).

Abbott's treatment of professionalisation relies on an analysis of the tasks each profession claims jurisdiction over. Neither the tasks or the jurisdictions are permanent or absolute, so there is permanent competition for control over jurisdictions between professions. Structural changes in tasks occur from time to time (e.g. through technological or institutional changes) thus creating new terrain which leads to turbulence and new, temporary equilibrium. Thus it is a 'system of professions' which does not rely on a predetermined structural professionalising process and thus is capable of accommodating the diverse range of professionalising, established and deprofessionalising occupations that characterise the modern social division of labour. In his examination of jurisdictions, Abbott distinguishes two aspects of profession - the professional work itself and the claims that are made about the jurisdiction over it. In his analysis of work, he identifies several areas where vulnerability to jurisdictional take-over may arise. Firstly, he insists on there being an objective element of the expert

task which persists regardless of whatever subjective claims and constructs are made around it and which may determine the nature of the tasks associated with it. For example, running a railroad has certain technological imperatives attached to it which creates specific tasks tied to the railroad. External forces may thus influence the availability of that task for professional colonisation. By contrast, theology and musical composition are almost purely subjective. Within the subjective domain, it is the activities of rival professions which construct the problem that is the subject of the jurisdiction:

"[T]hese subjective qualities have three parts: claims to classify a problem, to reason about it and to take action on it ...the sequence of diagnosis, inference and treatment embodies the essential cultural logic of professional practice"

(Abbott: 1988: 40).

These modes of practice impose a subjective structure on the problems with which the profession works. Certain aspects of these modes result in more or less vulnerability - for example, diagnosis can impose strict rules of relevance or evidence. Treatment brings the professional into a brokering process with the client. The degree to which a task requires prior inferential reasoning before it can be started (i.e. whether or not there is a 'second chance' to achieve efficacy) - and the length and extent of the logical chain involved - can each confer or enhance vulnerability.

Academic knowledge formalises the skills on which professional work proceeds and is organised into a classification system and an inferential system. But the classification is quite different from diagnostic and treatment classifications, being based on a disassembled set of components that can be used for rational theorizing but which effectively prevents its use. Nevertheless,

"the ability of a profession to sustain its jurisdictions lies partly in the power and prestige of its academic knowledge. This prestige reflects the public's mistaken

belief that abstract professional knowledge is continuous with practical professional knowledge, and hence that prestigious abstract knowledge implies effective professional work"

(Abbott, 1988: 53-4).

The claims made about jurisdictions, on the other hand can be made in three broad arenas: public opinion, the legal system and the workplace (ibid.:59-60). Public opinion is more evident as a device to establish jurisdiction in the US compared to the higher state involvement in Europe and especially France. The management of press and tv are an important element of obtaining public acceptance and legitimacy and this type of claim is well suited to the US mode of open market competition between aspiring professionals.

Legally based jurisdictions are established either in the legislature, in the courts or in the administrative and planning structures of the state. These jurisdictions are more durable than those based on public opinion - Abbott cites the monopoly held by serjeants in the English judiciary for more than five hundred years (page 63). Legal jurisdictions tend to be more specific, rigorous and inflexible, with more task and boundary definitions and maintenance - but they take much longer to establish.

The workplace is the least stable arena. The demands of organisational life mean that rigid professional boundaries cannot be maintained, and professionals find themselves doing work beyond their professional boundaries whilst subordinate, para - and non-professionals pick up by assimilation certain routine or atheoretical aspects of the professional practice. In some elite workplaces- big law or accountancy firms, for example - it is easier to defend jurisdictions, but in some less professionally attractive institutional settings e.g. mental hospitals, gaols and criminal courts, where jurisdictions are weaker, a host of attendants, guards and clerks effectively perform professional work (page 66). Knowledge of the ease and extent to which professional

work can be assimilated has to kept from the public, and status boundaries maintained by the use of non-theoretical devices e.g. through standards of dress such as white coats and uniforms.

This is an interesting slant on the long debate about the effect of essentially bureaucratic forms of organisation on professional autonomy and expertise arising from the widespread employment of professionals in state and corporate institutions rather than in the Anglo-American archetype of the independent and autonomous small firm practitioner. Other perspectives on this have stressed the fundamental opposition between professionals who serve capital and those who serve the state (e.g. Perkin, 1989), those who see the inclusion of professional workers in corporate capitalist structures as evidence of the deskilling and commodification of professional work (Oppenheimer, 1973) and those who see the institutional structures, especially state sponsored structures, as enhancing the power of professions (e.g. Johnson, 1982).

Having identified these arenas, Abbott then describes the kinds of settlement of rival claims that seem possible. What he calls full jurisdiction is the ideal type - monopoly public, legal and workplace control over an area of work - but "there are only so many full jurisdictions to go round " (page 71). So in lieu of this, there are a number of possibilities : subordination (e.g. by doctors of nurses), intellectual subordination (e.g. psychiatry being obliged to allow psychologists and social workers to practice psychoanalysis), a split of jurisdiction into two or more parts (as in architecture and the building professions), a division which allows one profession to supervise some of the work of other professions (as the clergy over sickness) and finally by the weakest form of control: client differentiation. The latter arises when demand for professional services cannot be met by the dominant profession who reserve for themselves certain clients, usually based on client status, leaving lower status clients to other

professionals. Abbott gives the example of psychiatrists serving the high status groups, psychologists or licensed social workers the middle and unlicensed social workers that minority of low status members who actually received treatment (e.g. juvenile delinquents)(pp 78-9). Accountants in nineteenth century England are said to be an example of client differentiation as a form of jurisdictional settlement, where municipal and cost accountants separated from the rest of the profession (page 78 and note 43)¹.

Finally in his discussion of claims to jurisdiction, Abbott discusses the internal structuring of the professions - those aspects of organization which have historically received attention in the professions literature. Abbott's treatment is brief, but focuses on three aspects: the impact of groups, professional controls and worksites. Group control could be based around local branches or special interests, professional controls relate to aspects such as practitioner training schools and the examinations these support, the licences used to identify the professionals and the ethical codes they are presumed to obey (pp79-80). An interesting aspect of this is those professions which have recognisably different levels of training within them, such as engineers. This issue is reminiscent of that concerning the relationship between the core and the periphery of a profession (Larson, 1990). Finally, some professions have dominated worksites- such as hospitals and schools- or have identifiable worksite domains - such as social workers or librarians.

These social organisational factors affect the strength of the jurisdictional claims that can be made and accepted. Strong organisation tends to result in more effective claims. A national organisation is a prerequisite to public and legal claims. Finally, less well organised professions have an advantage in workplace competition, since they are freer to move to available tasks - computer specialists are an example (page 83).

In the remainder of his book, Abbott goes on to develop his conception of professions as a competitive ecological system made up of all these elements. This conception overcomes some of the limitations of earlier approaches: it does not take a teleological view of professionalization, nor does it see profession purely as a set of structural attributes. It takes account of a client and societal demand that is not entirely manufactured by a self-interested elite trying to define and occupy a unique occupational space. The competitive forces ensure constant flux yet also constitute a system with stabilising mechanisms. Different levels of state involvement can be accommodated, up to a point - although a clear conception of the state and its motive and intentionality in sponsoring or otherwise professionalising movements is not developed. Some variables which have proved problematic or which have been under explored in the literature get more prominence - the role of professional practice itself, for example as against the abstract or formal knowledge system that is said to underlie professional claims.

This latter emphasis is the most significant of all, since Abbott grounds his thesis in a study of the actual work that is done by occupational groups who go on (or do not) to develop successful claims to jurisdiction over that work, and brings into play the relationship between the nature of that work (which may be changed by external, uncontrollable forces) and the versatility of the abstract knowledge base which is initially used to support a jurisdictional claim. He cites several 'professions' which lost out in the competitive struggle and which are no longer extant (railway despatchers, mediums) or which were forced to combine with or accommodate stronger rivals (surgeons and apothecaries), as well as emergent professionals such as social workers and librarians. So his 'system' with its large number of variables offers a wide array of permutations to deal with the complexity of the professional phenomena.

In the context of the present study, his description of accounting emerging from the shadow of the legal profession (in Scotland) and responding to the work requirements

of joint stock companies (primarily through receivership) and (later) competing with engineers over production problems in England is relevant (Abbott, 1988: 226-7, 230-32). The rapid emergence of a 'need' for municipal accounting in the UK in the mid-nineteenth century is explainable in terms of a legal jurisdiction (by lawyers) which was subject first to subordination by clerks and later by weak control through client differentiation by the accounting profession (see below). The role of the state (defined either in terms of 'central' control over 'local' government, or in terms of local control through embryonic corporate municipal entities) in establishing the legal jurisdiction is clearly implied. But the details of how it actually was transformed into a specialised area of work and ultimately a recognisable profession associated with accountancy rather than, say, the non-specialist UK civil service occupational culture is not clear.

This alerts us to some of the problems of Abbott's approach. Firstly, there is his belief in being able to separate an 'objective' and a 'subjective' component of a task, and his tendency to accept that, even though tasks are subject to external change as well as 'professional manipulation', there is definite 'work' to be 'done' which can be identified, problematized and competed for. Reverting to Larson's (1977) analysis, the role of the aspirant group itself in 'inventing' (strong form) problems that need to be solved by those with requisite expertise seems under-emphasised, even though it is acknowledged in Abbott's formulation that 'shaping a problem' and gaining acceptance of the 'shape' that is legitimated is an essential part of establishing a jurisdiction. He seems to accept that there are certain 'given' problems, e.g. to do with a human need for salvation, retribution or sanitation, that inevitably if not isomorphically translate into defined tasks in an organisational field (including statal agencies and free market professional configurations). Further, more elaborate client 'need' or demand, even if orchestrated by 'public opinion' routes to legitimacy, seem to have ontological origins. Abbott's explanation, whilst seeming to accommodate an indefinite set of outcomes so far as the number and strength of professional groups is concerned, seems ultimately

not to have an explanation for the phenomenon that gave rise to so much previous research, namely that there seem to be a lot more professional tasks around now than there used to be. Why is this? Is it only the result of a complex ecological system that has no inbuilt direction and 'just happens' to produce this result? Can it go either way? Or do certain of his variables have more power than others (and if so which ones and why)? Abbott's history seems to have no long term *political* component - there are only constantly shifting local circumstances which have little relation to major social transformations like the expansion of the university or the changing role of the state. This de-politicisation amounts to a de-historicisation, and for example fails to account for the new challenge to the stable system of jurisdictional settlements posed by the internationalisation of the market for expertise (Dezalay, 1995).

Abbott's insistence on an objective element of tasks and of jurisdiction over these tasks forming the basis for professional formation also aligns him quite closely with the functionalist outlook which dominated the literature on professions for so long. This is the view that there is an implicit contract between professional and society whereby important societal needs are met by professional groups who, in exchange for status and self-regulatory privileges, undertake to perform these tasks in a non-exploitative, disinterested way in accordance with ethical codes and other regulatory mechanisms. Parsons is perhaps the leading advocate of this approach. But there are significant difficulties with this argument. For instance:

" the functionalist model assumes that there is a well-defined, uncontested and unproblematic set of needs, both within the firm and within society. To the extent that there may exist conflicts and disputes about society's needs, the functionalist model accepts the definition of need of those groups who are currently powerful in society...it legitimates an occupation's own definition of needs...it obscures the essentially contested nature of needs by positing the neutral, objective and rational application of scientific knowledge."

(Robson and Cooper, 1991).

In the absence of an understanding of where and how 'objective' tasks originate, it can be argued that Abbott also falls under this category, even though his schema allows much more openness about eventual outcomes than the earlier functionalist models.

Thirdly, his attempt to conflate the Anglo-American model and experience with the continental version through accepting a variable role for state agencies seems to exclude some of the interesting questions by avoiding an examination of some groups that have expertise and abstract knowledge but do not call themselves a profession or are not accepted as such in the Anglo-American sense of that word. Now, clearly, if they are not accepted as controlling a professional jurisdiction, there are 'public opinion' legitimisation claims to be made and settled. But by avoiding the old trap of trying to define what a profession is, Abbott allows himself the luxury of deciding which occupations are to be included and which not. Given that the historical perspective tends to dissolve the validity of credentialled scientific knowledge (because beliefs about what is valid science change), any attempt to control an occupation could then be considered a candidate for professionalisation. The difference between abstract knowledge, which is a basis for a professional project, and craft knowledge (which is not) is not at all elaborated. Abbott includes computer specialists as a profession, for example, even though they are not organised as a discrete even multi-institutional profession, nor are recognised as such. Further, if they are simply *emerging*, then can any group with access to abstract knowledge and a potential jurisdiction be called a profession? In the UK, the term professional has a wide variety of connotations from paradigm professionals to someone who simply gets paid for his time but perhaps with an expectation of a career based on achievement and not professional credentials -e.g. professional sports people. One distinctive group of people in the UK who regard themselves as 'professional' but not a 'profession' are career civil servants. The military, the police and other state-credentialled occupations with abstract knowledge (e.g. of management) might also fall into this category. In some ways, the very flexibility of Abbott's schema results in a lack of specificity in certain cases.

Finally, although Abbott's concentration on task as the basis for analysing professions is a different starting point from many previous approaches, it still accepts abstract knowledge about that field as more or less unproblematic and uncontentious. In other words, although the university has a role in producing and legitimating knowledge about a set of problems, the intellectual core itself is largely given and a subsequent social process of application of that knowledge takes place. Although Abbott acknowledges the importance of practical knowledge as a basis for defining a jurisdiction, it is academic knowledge which ultimately makes the jurisdiction controllable and defensible. Abbott largely ignores the conceptualisation of this intellectual component.

The further criticism of Abbott is made that his analysis ignores the hierarchy of professions and the symbolic struggles for power and prestige which take place in parallel to the struggles for new markets. These struggles themselves require taking account of the social history and the political field in which principles of classification and hierarchy are contested:

"In short, it seems to us that Abbott, by refusing to situate himself within the framework of a political history, is condemned to leave uncompleted his project of 'thinking rationally' about the system of the professions "

(Dezalay, 1995: 335).

So we need to find a theory with a stronger sense of necessity than Abbott's contingent and ultimately functional approach, and one which deals in a more nuanced way with the nature of the ultimate legitimating device, the 'academic', 'abstract' 'knowledge base'.

The Professions and the Disciplines

One approach which sheds light on this question, but not with the explicit aim of dealing with a sociology of the professions, is Foucault's concept of "disciplines" (Foucault, 1977). Goldstein has shown how the concept of disciplines as:

" 'methods which made possible the meticulous control of the operation of the body', which insured that the body would be at once more obedient and more skilful, and which achieved this end through the placement of persons in enclosed, partitioned spaces where their time was given structure by means of daily schedules" ,

are administered by:

"none other than the 'professional' men of the Anglo-American sociological traditions"

(Goldstein, 1984: 175-176).

The disciplines share with the professions the same cast of characters and the same chronology, with the same roots in religious-clerical practice, in the monastic cell. They grew up, like the professions, in close collaboration with the state. But the disciplines are also more than either the professions (or the state), they are the quintessentially modern way of wielding power. And the major distinguishing feature is the conceptualisation of the intellectual component of each.

Goldstein claims that the sociology of the professions treat the necessary knowledge bases of the professions as *given*. *How* their knowledge comes into existence is not explored even though the role of the university, for instance, is accepted as playing an important part in *legitimising* a knowledge base (Abbott, Larson above). In Foucault's formulation, by contrast, knowledge and power reinforce each other in a circular process. Goldstein remarks on the appropriateness of the term 'discipline' in its two-fold meaning of the maintenance of sets of rules and punishments, and a branch of

knowledge, and claims Foucault would "regard 'discipline' as the name of choice for those bodies of knowledge applied by the professions" (Goldstein, 1984: 178). But here the concept of discipline carries a threefold meaning: "a branch of knowledge; the particular modes of 'training' to which the clientele of the profession is subjected; and finally the rigorous 'disciplined' training to which the professional has himself submitted" (ibid.: 179).

Historically, it is the non-discursive aspect of disciplines, as social practice, which appears first in response to factors such as the demographic changes of the eighteenth century and the growth in the apparatus of economic production, and, through the instrument and procedure of the 'gaze', leads to the emergence of the discursive through the 'fixing' of the individual subject in a way in which both subjugation and knowledge can be extracted from them by 'examination'- knowledge about them as patients, children, or criminals, for example, which can be generalised into knowledge about disease, pedagogy or crime. Of particular interest for this study is the insistence on recording the minutist data about subjects in a way which is perfectly attuned to the bureaucratic practices of state administration at the time. This disciplinary nexus aligned with some aspects of state power forms the basis from which the human sciences and their associated inductive scientific method sprang (ibid.: 182-3).

The dual discursive and non-discursive nature of the disciplines then becomes mutually reinforcing- the discursive being represented as knowledge which then legitimates the non-discursive, which provides further opportunities for subjugation through knowledge and so on. This is the root of the 'authority of experts' pondered by sociologists of the professions (Haskell, 1984). It is this "constitution of 'professional' knowledge through 'professional' practice [which] is Foucault's special contribution" (Goldstein, 1984: 184).

This Foucauldian perspective proved initially popular with some students of professions. Most notably, Larson (1990) admitted she had previously exaggerated the importance of a protected market and over-emphasised the discontinuities in professional practices brought about by the industrial revolution. Nevertheless, she argues that both Anglo-American and French-European professions ultimately relied on the state to enforce the necessary occupational closure, even if in the Anglo-American case it may have been the inaction of the state which prompted professional leaders to take the initiative in organising their own closure and protective mechanisms. She accepts that there was and is more than one model of professionalisation, and that profession is always a historically specific concept. However, its central function must always include:

"organising the acquisition and certification of expertise in broad functional areas, on the basis of formal education credentials held by individuals ... 'Profession' is thus a name we give to historically specific forms that establish structural links between relatively high levels of formal education and relatively desirable positions and/or rewards in the social division of labour"

(Larson, 1990: 30 - emphases in original).

Formal education is underpinned by some notion of the university and its ownership confers market opportunities and status and privilege in an occupational hierarchy, including a bureaucratic position. She accepts Friedson's term 'exclusionary shelter' to describe what professionalisation movements actually achieve, although still maintaining their aspiration or intentions are monopolistic (p45 n3). From this shelter, autonomy in the exercise of professional functions is obtained.

Larson provides some examples of *political* projects which are underpinned by ownership of credentialled knowledge, such as expert elites in the former state bureaucracies of eastern Europe, in the reforms of the British civil service in the 1830s

and in the public service welfare professionals in the United States in the interwar period, as well as the elite corps of the state sponsored French engineers. In this way, she accommodates criticism of her lack of concern with the role of the state in professionalisation:

"Structurally, profession is a link between codified knowledge and practice... [which] seeks institutional guarantees which only the state can offer. Profession can thus become, structurally, a material link between the state and the deployment of specialised knowledge in the civil society ... Thus professions are a necessary part in any theory of the modern state"

(Larson, 1990: 44, emphases in original).

But her main concern in this article is to draw attention to "the conditions under which knowledge is produced and applied in ways that make a difference to the life of others". Codification and standardisation of knowledge, whilst in principle available to all, in fact establishes discursive boundaries within which certified knowers define what are valid subjects of knowledge. But not all certified knowers speak with the same authority, and this inequality requires further investigation. Larson invokes Foucault's 1970 inaugural lecture at the College de France to discuss this (Foucault, 1971).

Foucault describes various ways in which the production of discourse can be controlled by the instigation of exclusionary devices. These include interdiction, controlling the distinction between reason and madness and that between truth and falsity. These kinds of exclusionary devices are clearly relevant to professional discourses amongst others, even though Foucault does not explicitly deal with the concept of profession in his work (cf. Goldstein, 1984). Larson is primarily interested in the internal control of discourse production, in particular the way in which scientific discourses in the modern era have dispensed with the notion of authorship and become *disciplines*, "anonymous systems for the construction of new valid utterance,

theoretical frameworks within which pertinent propositions must be placed in order to make sense". Access to these disciplines and the authority to speak them depends on a range of structural devices (rituals, doctrinal groups, social inequality etc.).

In many disciplines, discourse is produced in areas of practice that include unauthorised and non-authoritative speakers. Thus a discursive field may include dissemination of discourse to a 'lay' public but without necessarily empowering them to speak authoritatively on that subject. Practice domains include institutional settings (the asylum, the hospital, the gaol, the confessional) but discursive fields should also include "fields that only have *a thematic ideological unity*, that are unified only because all their parts, all their actors, all their speakers, are concerned with the same thing and almost always with conflicting points of view". Larson argues that:

"the degree to which these fields are open to common citizens is both a measure of democracy and one of the stakes of democratic politics"

(Larson, 1990: 33).

She cites the AIDS discourse as a field where experts and lay people converge on important political issues.

In this sense, the expertise constituted by the link between higher education and the social division of labour presupposes the existence of a lay public, yet a public which must understand the significance of the credentials and marks of expertise. It is this lay public, says Larson, which "distinguishes modern professional expertise from other forms of scarce and esoteric knowledge: it is, in principle, available to the broadest public", i.e. through their experience of being the partially knowing subjects of that expertise (medicine, for example). Thus professions can be compared:

a) by the degree to which the core discourse pretends to approach scientific validity;

and b) by the extent to which the core region commands the outlying ones.

(ibid.: 38).

This latter point is vital: at the periphery, in the day to day field of practice, remote from the institutional and educational core, the practitioner is confronted with a wide variety of competing 'true' discourses which must be renegotiated if claims to expertise are to be maintained. In this respect, we have a conception of competition very like that of Abbott's even though he does not rely on the language of discursive power.

Despite its initial attractiveness, reservations about the value of the Foucauldian insight have also been expressed. One of these is the alleged inapplicability of the model to non-French societies. It does seem to be the case that very little of the recognised literature around the professions written in the ten years after Foucault's death draws on his insights. Excluding Goldstein and Larson, there are almost none in the collections of Geison (1984), Haskell (1984), Cocks and Jarauch (1990), Burrage and Torstendahl (1990) and Torstendahl and Burrage (1990), which include studies of professions in the USA, Britain, Germany and Sweden (Macdonald, 1995). Macdonald suggests that perhaps the Foucauldian concern with the constitution of the body and the practices surrounding this is likely to be of more interest to sociologists of medicine and health and illness (Macdonald, 1995: 25).

Writing as an historian of the professions, Corfield (1995) poses questions about the applicability of Foucault's ideas to the early professions more starkly and comes to more negative conclusions. She asks and answers as follows:

- 1) Did the professions exercise power and influence in Britain between circa 1700 and 1850? - (yes);
- 2) Was the power conferred by knowledge... absolute? - (no);
- 3) Is power the same as knowledge? - (no);

- 4) Does power alone produce knowledge? - (no);
- 5) Does knowledge conversely confer power? - (it can, but may not).

(Corfield, 1995: 244-250).

She also draws attention to the continuities between the pre- and post-industrial professional practices of law, clergy and medicine especially in Britain, rather than emphasize the discontinuities as Foucault does - perhaps another example of his alleged if understandable Franconian bias.

Another possible problem is Foucault's 'structuralist language', which excludes the 'flesh and blood actors' which most perspectives on professions concentrate on, albeit following the individualistic cast of the Weberian Western paradigm (Macdonald, 1995: 27). Larson (1990) exhibits this trait, and the more general criticism of the high level of abstraction and tendency toward philosophical idealism (e.g. in concepts such as the gaze and in the notion of the disciplines themselves) in Foucault's work may result in it being acknowledged but not built upon by sociologists and social historians (Macdonald, 1995: 26). Macdonald admits to placing emphasis on "action rather than structure as a means of understanding the social world: in a word... Weberian", but acknowledges Marxian and Foucauldian alternatives (pp30 -31). But his general criticism that not even Larson had yet produced any empirical work drawing on her reading of Foucault and his claim that some studies, such as Hopwood (1987), "embark on 'archaeology' and 'genealogy' but in fact engage in a much more phenomenological enterprise" draws attention to at least the difficulty of using this approach. But whatever the character of the results there are signs that more intentionally Foucauldian studies involving professions are beginning to be produced (e.g. Arney, 1982; Hoskin and Macve, 1986; Nettleton, 1992; Johnson, 1993).

But there is one further aspect of the Foucauldian perspective which is relevant to the study of professions which has hitherto not been widely applied to this particular

debate and which is crucial in many discussions of the differences between the formerly dominant Anglo-American model and the wider set of examples now available of French and other continental professions : the conceptualisation and role of the state.

The state features prominently in most of the professions literature, mostly because of its role in regulating and licensing professions, conferring monopoly status etc.. In general, the Anglo-American examples, whilst recognising the legitimating role of the state, also note its relative indifference if not neglect of professionalisation projects (e.g. Larson, 1977). Differences between British and American experiences were later highlighted, with the British state being less keen to endorse or more able to resist monopolistic or jurisdictional claims. But a more recent focus on French, German and other continental professions serves to bring Anglo-American individualism closer together whilst emphasising the apparently strikingly different role of the state in professional formation in Napoleonic France, the German states and Scandinavia (Geison, 1984; Cocks and Jarauch, 1990; Collins, 1990; Larson, 1990).

But although the impact of the shape of the state and the places which knowledge-based groups found themselves in have varied (Torstendahl, 1990), in the sociology of the professions the differing conceptualisations of the state much discussed elsewhere have not been much considered. In the latter's formulations, the concept of the state exemplified by Mann (1993) tends to be followed. His definition of the state is:

- 1) a differentiated set of institutions and personnel
- 2) embodying centrality, in the sense that political relations radiate to and from a centre, to cover a
- 3) territorially demarcated area over which it exercises
- 4) some degree of authoritative, binding rule-making, backed up by some degree of organised physical force.

(Mann, 1993:55).

In addition, the state penetrates territories with both law and administration, whilst citizens and interest groups also penetrate the state:

"Modern states are polymorphous power networks stretching between centre and territories"

(Mann, 1993: 55, quoted by Macdonald, 1995).

It is this ultimately Weberian conception of the state which is most widely used in the sociology of the professions, but a Marxian perspective is sometimes introduced alongside it (e.g. Fielding and Portwood, 1980; Halliday, 1983). A more explicitly Marxian view is provided by Johnson (1982), which looks at professions and the state more in terms of levels of conflict between the state, classes, fractions of professions and a general model of state formation through an examination of two areas : the reform of the English legal system in the 1830s and 1840s (Land registration and County Court reforms) and the effect of the British Empire on state/profession relations. The outcomes in the first cases reflected the power of the diverse elements of the legal profession to protect a common interest and the satisfaction of the aristocracy and the bourgeoisie with some traditional aspects of land holding. In the overseas examples, by contrast, state involvement in the regulation of professions was much more extensive and also allowed the 'home' professions to extend their influence to the colonies under state protection.

These, then, are examples of the types of conceptualisation of the state which have been used in studies of professions. But it has been argued that conceptions of the state as a weapon in class conflict, or in corporatist, statist or neo-liberal theory and their

associated vocabularies of coercion, interest groups, citizenship and markets, fail to do justice to the ways in which rule is exercised in advanced liberal democracies (Rose and Miller, 1992). Rose and Miller prefer to avoid the problem inherent in many analyses of political power caused by the difficulty of defining the state exactly by concentrating

instead on what they call 'problematics of government'. In this formulation, introduced in Chapter 1 above, the state itself ceases to be a clear, identifiable entity, however complex and diffuse, but becomes instead one among many discursive objects around a field of 'governmentality' which constitute the modern means of creating and sustaining governing sets of power relations:

"Central to the possibility of modern forms of government... are the associations formed between entities constituted as 'political' and the projects, plans and practices of those authorities - economic, legal, spiritual, medical, technical - who endeavour to administer the lives of others in the light of conceptions of what is good, healthy, normal, virtuous, efficient or profitable. Knowledge is thus central to these activities of government and to the very formation of its objects, for government is a domain of cognition, calculation, experimentation and evaluation. And, we argue, government is intrinsically linked to the activities of expertise, whose role is not one of weaving an all-pervasive web of 'social control', but of enacting assorted attempts at the calculated administration of diverse aspects of conduct through countless, often competing, local tactics of education, persuasion, inducement, management, incitement, motivation and encouragement"

(Rose and Miller, 1992: 175).

The emphasis here then is on government not as something isomorphic with the state but of 'governability' or 'governmentality' as a mode of disciplinary power which sponsors the means by which social and discursive objects (such as 'patients', 'criminals', 'sinners', 'students' etc.) are created and controlled. These relationships thus embody many of the relations inherent in conceptualisations of professions (practitioners, expertise, clients, the state) but from an entirely different perspective - one in which all of these objects appear as sites where disciplinary power can establish itself (see Goldstein, 1984). The state, by contrast is merely the way in which the problem of government is codified, a way of delineating the 'political'. This analysis asks 'how and to what extent the state is articulated into the activity of government'? As we saw in Chapter 1, Miller and Rose (1990) analyse the problematics of government in terms of political rationalities - the discursive fields in which power is

conceptualised, legitimated, distributed and formalised - and governmental technologies: " the complex of mundane programmes, calculations, techniques, apparatuses, documents and procedures through which authorities seek to embody and give effect to governmental ambitions".

Political rationalities:

"address the proper distribution of tasks and actions between authorities of different types - political, spiritual, military, pedagogic, familial. They consider the ideals or principles to which government should be directed - freedom, justice, common sense, economic efficiency, prosperity, growth, fairness, rationality and the like...they are articulated in relation to some conception of the nature of the objects governed - society, the nation, the population, the economy...[they are] a kind of intellectual machinery or apparatus for rendering reality thinkable in such a way that it is amenable to political deliberations"

(Miller and Rose, 1990:179).

The example of the advent of liberalism as "the moment when the dystopian dream of a totally administered society was abandoned" led to the constitution of realms beyond the powers of political authorities yet still in need of governing: this was made possible through means providing *action at a distance* :

"through the activities and calculations of a proliferation of independent agents including philanthropists, doctors, hygienists, managers, planners, parents and social workers ..[which] is dependent on the forging of alliances between political strategies and authorities and between these authorities and free citizens... The invention of disciplinary institutions of prison and asylum was accompanied by

the promulgation of a variety of programmes by...experts, who claimed to know how to direct business activity, family life and personal morality onto the path of virtue"

(Miller and Rose, 1990: 180-1).

Thus the role of professions, amongst other agents, is to enable 'government at a distance' in a way which may not be directly beneficial to any particular authority but rather one which sees the emergence of sites where governance becomes possible - where discursive objects such as disease, criminality, pauperism and the like come into being. The end result is that:

" by means of expertise, self-regulatory techniques can be installed in citizens that will align their personal choices with the ends of government "

(Miller and Rose, 1990: 188-9).

In some respects, this attempted de-politicisation of professional activities echoes Larson (1977, 1990), but in her formulation this is a more or less deliberate strategy pursued by rulers to disguise the essentially political nature of many decisions (e.g. concerning resource allocation) which are taken over by monopolistic professional rationales (Larson, 1977).

Through political rationalities, *programmes* of government come to be articulated, but for these to be deployable, *technologies* of government are needed. These are:

"the complex assemblage of diverse forces - legal, architectural, professional, administrative, financial, judgmental - such that aspects of the decisions and actions of individuals, groups, organizations and populations come to be understood and regulated in relation to administrative criteria. We need to study the humble and mundane mechanisms by which authorities seek to instantiate government: techniques of notation, computation and calculation; procedures of examination and assessment; the invention of devices such as surveys and presentational forms such as tables; the standardisation of systems for training and

the inculcation of habits; the inauguration of professional specialisms and vocabularies; building designs and architectural forms - the list is heterogeneous and in principle unlimited"

(Miller and Rose, 1990: 183 and above, *ab init.*).

Using a schema devised by Latour (1986, 1987), government is conceived of as being 'instantiated' through mechanisms of enrolment and mobilisation which stabilise networks of power in durable form - for example, the inscriptions and calculations of the now familiar statistical representation of social life. This inscription takes place in *centres of calculation* which creates power for those able to claim expertise and legitimacy through the performance of calculation which they can then apply to their own plans and strategies (Miller and Rose, 1990: 185-6).

Miller and Rose (1990) conclude their paper by analysing what they call the 'governmentalisation of the state' in the context of welfarism as a 'technology of rule' in the post war British National Health Service. But like Goldstein (1984), their analysis draws on Foucault's concept of disciplinary power, particularly its further elaboration in a later paper which specifically developed the theme of governmentality (Foucault, 1979; Gordon, 1980). As such, the concept of governmentality suffers from the same kind of objections as disciplinary power - namely, the absence of any clear set of people (either as individuals, groups or classes) who act as the governors deliberately trying to impose their rule over the governed.

As Foucault and Rose and Miller exemplify it, the power which the disciplinary apparatus creates arises from the practices themselves and from the sites and discourses which provide the opportunity and the legitimation for rule. It is not the perspective that the state itself may have 'no essential necessity or functionality' (Rose and Miller, 1992: 176) or that it may be one of the products rather than the originator of power relations that causes most difficulty. It is the elision of *actors with intentionality* from the development of governmentality that leaves the impression of an autonomous discursive formation which creates and confers power but only as a by-product of mysterious changes in the necessities of rule and the new modalities which the disciplinary apparatus makes possible. Although "politicians, intellectuals,

philosophers, medics, military men, feminists and philanthropists have measured the real against the ideal and found it wanting" (Rose and Miller, 1992: 181), no-one - not even the inventor of the Panopticon, which plays such an important part in constructing disciplinary power (see e.g. Macdonald, 1995: 174 - 183 for a critical discussion) - apparently deliberately sets out to construct such a governmental apparatus. It 'just happens' as a result of a multitude of infinitesimal yet cumulative changes in discourses and practices which seem reasonable to those constructing and who are subject to them, yet which are in accordance with some underlying metaphysical dynamic opaque to all its agents (except certain social theorists).

It might be reasonable to claim that intentions do not translate perfectly into outcomes, but it seems that the proponents of governmentality are not even aware of the cumulative effect of their actions, which is to bring into being a whole new way of conceiving and operationalising power. Curtis (1995) raises similar concerns; amongst others are that liberal government is deprived of any historical specificity, that it fails to comment on relations between 'real' social groups and that human agency is ignored (Curtis, 1995: 581-3).

But the case that political power is constructed beyond the traditional sets of 'real' social relations is perhaps most strongly demonstrated by the *unintended* effects of the governmental regime. These unintended effects, though arising partly from human actions, cannot be said to be entirely the result of human agency since they inhere more in the interaction of the network of discursive and non-discursive relations which is unwittingly created. Borrowing from an entirely different discipline and tradition, the effect may be something akin those who propose complexity and chaos theory as the basis for models of behaviour. This does not mean that human agency is absent: only that its impact is, perhaps heavily, overstated through a concentration on the espousals

of human actors and their 'interests'. The pluralist political science model in which social and political forces relate to and engage with each other like the shoreline and the sea cannot account for the power of a technology like calculation to achieve changes in the way in which government is conceived. The materiality of ideas is a perspective often missing from political sociology.

Yet despite their claim that their studies of government "eschew sociological realism and its burdens of explanation and causation " (Rose and Miller, 1992: 177), this is a similar problem to that faced by many 'ideological' theories of knowledge (see e.g. Abercrombie 1980): crudely, how can any representation of reality be proved superior to any other once you challenge the legitimacy of the expertise which separates truth from falsity? Traditional Marxist conceptions of false consciousness suffered fatally from this dilemma. We need to be satisfied that Foucault's conceptualisations do not also suffer from 'realist' pretensions that can only be 'unmasked' by the 'true knowers' (see Chapter 2 for some discussion of this dilemma in the context of historical studies).

One of the other criticisms made by Curtis (1995) of Rose and Miller (1992), which has a bearing on this debate concerning professions, is the nature and role of 'centres' in channelling and translating resources and techniques of government. Allied to this is the question of legislation in establishing such centres and thereby emphasizing the conventional conception of the state as a key actor (Curtis, 1995: 583-586). The role of centres and 'action at a distance' in the emergence of technologies of government "demands an analysis of changing forces and relations of production" and neo-liberalism, for example in respect of healthcare, "sound[s] like the centralisation of power ... by a branch of the state system by virtue of its control over finance" (ibid.: 587). Rose and Miller, it is said, regard power as operating "on the basis of shared understandings secured by persuasion, negotiation and bargaining ([Rose and Miller]1992:184), and systematic domination and exploitation seem not to exist"

(ibid.: 577). Miller and Rose themselves partly respond to Curtis' criticisms by finding in them yet a further example of the long-held Marxian critique of Foucault's alleged 'idealism' (Miller and Rose, 1995: 592).

So far as this Chapter is concerned, the concept of governmentality and the processes which create it represent an important alternative perspective on professions, especially those closely concerned with governmental and social activity. The sources of power which the disciplinary process creates or is created by have at least some commonalities with previously accepted concepts of professional power and closure yet avoids the previous debates about how professional knowledge is used in a professionalisation project or in the competitive niches of the system of professions. We will now consider the specific professionalisation of municipal accounting as an example of this approach.

Professionals and Local Government

"Jovis, 14 February 1833

Ordered: That a Select Committee be appointed, to inquire into the State of Municipal Corporations in England and Wales and Ireland; and to Report to the House whether any and what Defects exist in their Constitutions, and what Measures it may be, in their opinion, most expedient to adopt a Remedy thereof... "

Parliamentary Papers, 1833 Vol. XIII, iii.

Following the long process of the political reform in Britain which reached some kind of apogee in the passing of the 1832 Parliamentary Reform Act, the closed and self-selected municipal boroughs whose parliamentary seats had been the patrimony of a large proportion of the House of Commons were reformed to change their distribution and widen the franchise. These reforms were concessions made by the Whig

government in the face of recurrent unrest which led to a perception that the old system, whatever its moral authority, was ultimately unsustainable. "The Whigs in 1832 made concessions to preserve the essentials of aristocratic government " but these also gave them a resounding victory under the new franchise in the December general election (Evans, 1983: 212). Under the Act, 56 of the 201 borough constituencies in England were disenfranchised and 30 lost one of their two members. 63 new borough seats were created, but so too were 64 county seats. Less dramatic changes took place in Wales, Scotland and Ireland, but the overall effect was a House still composed of 658 seats but with 399 borough seats compared to 465 previously (ibid.: 379).

In the borough constituencies, changes in the basis of the franchise to allow most adult males owning or occupying property worth at least £10 per year increased the electorate from some 164,000 to around 282,000, although it fell as a proportion of the total electorate from 45 to 43%. A register of voters was established in both borough and county seats. These figures, the concepts and information which constitutes them and the detailed debates and disputes about boundaries and size of constituencies supported by arguments based on population movements and distribution of wealth provide an example of the new political calculus of liberal government and governmentality (Rose, 1996) deriving from the bio-politics of population and police cited by Foucault (1977, 1991) (Osborne, 1996: 100-102).

The ideals and expectations of liberalism mobilised by the reform movement meant that the municipal boroughs themselves, bound up as they were with the parliamentary seats previously under their control, should be subject to similar scrutiny as the constitution of Parliament. Accordingly, shortly after the 1832 election, a Select Committee composed of 31 members was established to 'inquire into the State of Municipal Corporations'. Reporting in June 1833, the Committee emphasised a utilitarian rather than a retributive perspective:

"Your Committee... discharge their duty... by inquiring how far the Municipal Corporations of England, Wales and Ireland were useful and efficient instruments of Local Government, rather than by seeking to detect past abuses, with a view to their exposure or punishment."

(Parliamentary Papers, 1833, Vol XIII, page iii).

But they were unable to reach a firm conclusion and recommended that a further enquiry should be instituted. The problems which they encountered in the Corporations they examined were of seven main kinds:

i) the jurisdictions of some Corporations had been extended beyond the limits of the ancient borough or in some cases into more distant territory;

ii) the small proportion of corporators choosing those who are to be associated with them in power, and generally for life was felt to be 'a great grievance':

" One of the consequences of this system of close election has been, that publicity has been rarely given to the amount and application of the funds belonging to the different Corporations. It is probable that if in this respect the Corporators had acted under the influence and control of Public Opinion, their debts would have been less in amount, and more benefit would have been conferred on the community. It is desirable, therefore, that the Management and Expenditure of Corporate Funds should be subject to a systematic and efficient control."

(ibid. page iv);

iii) the choice of Recorders, the supervision of courts and general administration of the judicial system was too narrowly based;

iv) the high extent of privileges and exemption from tolls and dues enjoyed by Freemen;

v) the inadequate execution of the private Acts of Parliament obtained by the

Corporations;

vi) "The Rates levied by the authority of the Corporation for Public Purposes, and which in some cases have been to a considerable amount, constitute another fit head of inquiry. Complaints have been made on this subject, and even if no complaints had been made, it seems to be expedient that some better and more efficient checks than exist at present should be established for the benefit and protection of those who are to pay the Rates"

(ibid. page iv);

vii) different remedies might be appropriate for different types and sizes of towns.

Behind the specific concerns of the Committee lay the tensions of urban politics- notably, the exclusion from power of Catholics and dissenters until the repeal of the Test and Corporation Acts in 1828. Because of these exclusions, political opponents of the ruling Anglican and Tory oligarchy had concentrated their activities in parish and town politics, which included certain new large urban conglomerations which had grown rapidly during the industrial revolution and which had not previously been incorporated by Charter, e.g. Manchester and Birmingham (Fraser, 1976). Thus the shifting of the focus of political activity to the municipal corporations was more a reflection of rivalry between the old aristocratic governing elite and a new urban leadership drawn from successful dissenting businessmen :

"It is right to view municipal reform as a parallel to [the 1832 Parliamentary Reform Act] and not simply because it was an extension of a vague belief in representative government. One of the main aims of the Reform Act had been to legitimise influence, both by removing its corrupt exercise in the domains of the landed gentry and by creating in urban areas spheres of influence of the aspiring middle class. Municipal reform in 1835 provided an institutional framework within which the political influence of social and economic leadership could be legitimised. It was widely recognised that this would create a transfer of power locally not so much between socio-economic as between politico-religious rivals".

(ibid.: 118).

Following the inability of the Select Committee to agree recommendations, a Royal Commission was set up in July 1833 and spent two years taking evidence and gathering information on 246 boroughs. Their Report in 1835 with some amendments was drafted as a Bill and eventually (with some controversial but minor amendments) became the Municipal Corporations Act. Its principal provisions were:

- i) to restore the original meaning of a municipal corporation as the legal personification of the local community;
- ii) the council to be elected by the ratepayers, with meetings open to the public and its accounts subject to audit;
- iii) the franchise gave the right to vote to all ratepayers with three years [later reduced to two and a half] standing;
- iv) justice (and hence the administration of the Poor Law) separated from municipal administration, with magistrates being appointed by the Crown;
- v) the principle of central administration of certain matters such as the raising of loans and the selling of municipal property which became subject to Treasury sanction;
- vi) the chief functions of the Council were to be the administration of local revenues and finance, police administration and the passing of bye-laws for the good government of the town. The appointment of a Town Clerk and Treasurer was obligatory;
- vii) freemen's rights were abolished.

(Keith-Lucas, 1958: 129-130).

The Act applied to 178 boroughs, some of which reflected political interests rather than utilitarian criteria, and these were added to or occasionally reduced (e.g. by merger), so that by 1901 there were 313 (Waller, 1983). But it laid the fundamentals of municipal government which later Acts in 1882 and 1888 did not remove and which were ultimately incorporated into the Local Government Act 1933. Of particular interest to this study is the emphasis on financial probity and central government power

alongside the formal democratic changes which received a higher profile at the time. It is also worth noting that though the 1835 Act gave reformed boroughs the right to levy unlimited rates (previously the powers of boroughs to levy rates had been included in Charters and Local Acts), most Corporations had sufficient property of their own to make rating unnecessary or only needed to finance a particular development, such as a gaol. An important corollary to this was that when making a rate the council was "authorised and required from Time to Time to estimate, as correctly as may be, what Amount in addition to such fund [i.e. the borough fund] will be sufficient for the payment of expenses to be incurred in carrying into effect the Act" (section XCII). Thus the practice of budgeting and its associated programmatic elements (Rose and Miller, 1992) formally became part of municipal practice.

Over the next 35 years, the demand for services provided by the municipal corporations grew dramatically. Although the administration of justice and the Poor Law was taken out of local authority hands, the growth of urban communities and the acceptance of links between health, housing, working conditions and disease led to various philanthropic or utilitarian programmes for improvement, beginning with sanitary reform and boards of health, but accompanied by slum clearance, water supply measures, police, libraries and the architectural expression of this civic enterprise, the new Town Hall. But the institutions implementing (or not) these often permissive measures varied widely in proximity and effectiveness across the country. Town Councils vied with improvement commissioners, highways surveyors, boards of health, water commissioners, commissioners of sewers and parish vestries. Incorporation often took a long time and was fiercely argued, or did not lead in the short term to the merging of some of these bodies even though legislation allowed this. The result was that there is a wide diversity of laws, practices and institutions in the history of local government in England whose proximity has challenged many attempts to summarise it (e.g. Webb, 1963).

This growth in local administration was not accompanied by a corresponding increase in the size of central government departments (Roberts, 1960). Yet, although this was heatedly contested, the amended Poor Law after 1834 and the debates over factory conditions and working hours created an acceptance by Whigs and dissenters, and in some places Tories also, that some central involvement in local government was necessary or acceptable for some problems on some occasions. Failure to implement public health measures was cited as a failure to carry out local responsibilities which carried risks to local populations and beyond. Measures like the Sanitary Act of 1866 "virtually enables the Privy Council to supersede the local authorities" even though the administrative structure was not sufficiently coherent to allow its powers to be put into effect. Nevertheless, although a signpost for the next generation had been erected by the reformers like Chadwick and Simon, "the prevailing attitude among educated people in 1870 remained one of profoundest scepticism about the role of the State" (Evans, 1983: 290-1). Local politics and local independence remained a strong force against the centralising tendencies promoted by the machinery of government.

The Reports of the Commissioners on the Municipal Corporations in 1835 draw attention to the distinction between the governing body or Common Council of the corporation, headed by the Mayor, Steward, Bailiff etc. and the corporate officers such as the Town Clerk and Chamberlain or Treasurer, although officers in many places were also able to sit on the governing body (Parliamentary Papers XXIII 1835 : 22). The Town Clerk held his office 'during good behaviour' and in most towns needed to be a freeman of the town:

"The Town Clerk is usually an attorney, and acts as legal adviser, and records the proceedings of the Corporation...He is generally paid by a salary, which in most towns is almost nominal; the real inducement for holding the situation is the legal business, for which he is paid according to the usual scale of professional charges, or the introduction to private practice through his connection with the members of the Corporation....

The Chamberlain or Treasurer of the Corporation is usually chosen by the common council, and in the great majority of instances is a member of it. His duties are to receive the revenues, to make the necessary payments to the order of the competent authorities, to keep the accounts, and generally to superintend the property of the Corporation... The Chamberlain is sometimes paid by a poundage on the income collected by him, more frequently by a salary, and by the profit of balances left in his hands. In Corporations where his receipts are considerable, he is often required to give security. "

(ibid.: 25).

So two aspects of municipal government become immediately apparent from this evidence. The first is the recognition that there was often little difference in unreformed corporations between the corporation officers and their common councillor colleagues. In many places, the office of town clerk or chamberlain with their emoluments and privileges were simply assigned by the corporation to one of their number, although the financial benefits were often variable and sometimes not without personal risk. The long sustained and familiar distinction between councillors ('members') and paid employees ('officers') was not clear cut before the 1835 Act; indeed the Act itself was a significant step in making this distinction. It was also still possible for offices to be purchased in some cases.

The second is that the constitution of borough councils probably reflected the distribution of power in the town itself - albeit possibly providing some opportunity to local professional lawyers and bankers to sit alongside their squire or landed gentry betters. The Commissioners inquiring into the municipal corporations in 1834-5 occasionally reported the "profession" or "professions or trades" of the common councilmen, aldermen or burgesses which shows the extent of the involvement of the professions in town government². Although this record is incomplete, it shows the numerical influence of a number of professions, notably attorneys, surgeons and bankers, alongside the squires and gentry, but yet still with a proportion of tradesmen,

especially in the more rural areas. Ports and naval towns understandably have a high proportion of naval or marine officers, as well as customs officials. Elsewhere, a few clerks and post officials represent an embryonic 'bureaucratic' element. Clerics are notable by their scarcity. In the larger towns and cities, including London, the power of the professions is likely to represent their greater concentration in those places (Corfield, 1995: 214), but in London in particular the power of the surviving medieval guilds and livery companies obscured this picture (Parliamentary Papers 1839, vol. xviii).

Comparing this rough picture with the proportion of professional men given by the 1851 Census (Table 1), we can see that surgeons and attorneys in particular, but professions in general, are well over-represented in municipal government compared to the proportion of the workforce they represent, forming a group almost as large as the squirarchy and gentry. The clergy are underrepresented, but probably increase their participation in county and rural government as well of course in parish and ecclesiastical institutions.

The other sizeable group at this time, central government officers, are more likely to be concentrated in the capitals and other centres of government, whereas university teachers would be much in evidence in university towns but schoolteachers largely absent from office everywhere. So we can confirm the numerical and hence political importance of professionals in local government in this period.

One of the consequences of the Municipal Corporation Act was to extend the list of eligible worthies to include tradesmen and dissenting manufacturers who were previously excluded by the Test Acts or financial or social barriers to office. This extension brought political party allegiance into play, but as already noted, the extension of the franchise did not result in any great initial change in the socio-economic background of the councillors (e.g. in Leeds, see Hennock, 1973).

The influence of the professionals was most marked at the beginning of the reformed Corporations, and seems to have represented a means of obtaining social legitimacy for previously excluded social leaders or *arrivistes* because of their religious beliefs, financial or social status. By the mid-century, the social composition of councils had changed to include a higher proportion of craftsmen and retailers (see Table 2). There is, however, evidence that there was no significant reduction in the proportion of professional men offering themselves for election, only that they were less successful, perhaps because of the rise of the caucus system of party organisation and the widespread dominance of the large urban corporations by the Liberals (with the notable exception of Liverpool after 1842) (Fraser, 1976: 131 et seq.).

The political scene in all the major towns, however, varied considerably throughout the nineteenth century (e.g. Briggs, 1963; Fraser, 1976). The concerns of the rapidly growing north western textile conurbations (Manchester, Salford, Bolton) and the Yorkshire cloth centres (Leeds, Bradford, Huddersfield) contrasted with ports (Liverpool, Newcastle) and heavy industry areas (Birmingham, Sheffield, South Wales) and the unique complexity of London. In each place parish or corporate politics had defenders and reformers and vigorous civic debate surrounded issues such as a petition for incorporation, policing, clearance and improvement schemes, public health and sanitary measures, municipalisation of utilities etc.. These debates were carried on at length in the press and public meetings as well as in private and many successful municipal leaders became national celebrities and went on to parliamentary and ministerial office - Joseph Chamberlain being perhaps the most notable example. The saliency of political party and party organisation became paramount: "Party was the means by which disputes between rival elites were resolved and the spoils were both rewards for the victors and a measure of the extent of the triumph. In all towns there was an exhilarating effusion of party appointments when municipal reform transferred power from one elite to another" (Fraser, 1976: 145).

Table 1: Men with professional occupations in Great Britain and Ireland, 1851

	England and Wales	Scotland	Ireland
Lawyers	15,980	2,442	3,351
Law clerks/ law officers	16,414	2,745	2,209
Clergymen	26,235	3,812	6,241
Parish clerks/ church officers	4,178	395	757
<u>Medicine</u>			
Physicians	1,817	511	1,223
Surgeons/apothecaries	13,586	1,576	1,864
Druggists/chemists	14,131	1,194	332
Others in medicine	<u>3,970</u>	<u>923</u>	<u>230</u>
Total (Medicine)	33,504	4,204	3,649
Veterinary surgeons/farriers	6,135	395	193
Farm Baliffs/ land agents	10,581	2,219	5,971
Central government officials	35,084	3,823	5,433
local government officials (excluding police)	9,903	1,745	3,699
East India Service	3,410	364	-
Accountants	5,711	852	-
Army Officers (inc. half pay)	5,573	678	-
Navy Officers (inc. half pay)	4,335	222	-
Civil Engineers	2,589	420	2,251
Surveyors	2,778	113	-
Architects	2,698	273	257
Scientists	421	45	-
Artists (fine art)	5,183	446	353
Authors and others in literature	2,584	282	211
Actors and others in theatre	1,333	172	115
Musicians	5,275	460	2,006
<u>Teachers (all categories)</u>	<u>28,304</u>	<u>6,074</u>	<u>10,428</u>
TOTAL	228,208	32,181	47,124
<u>All men with stated occupations</u>	<u>5,787,364</u>	<u>864,312</u>	<u>1,903,438</u>
Professional men as %	3.9	3.7	2.5
<u>All men</u>	<u>8,848,079</u>	<u>1,375,479</u>	<u>3,190,630</u>
Professional men as %	2.6	2.3	1.5

Source: 1851 Census in British Parliamentary Papers (1852/3), vol. 88/1 (Gt. Britain) and (1856) vol.31 (Ireland), quoted by Corfield, 1995:32.

Table 2

Social Composition of Leeds Town Council 1836-52 and 1874-5 (whole council 64 members).

Year	gentry	professional	textile merchant	non-textile merchant	craft	retail	drink	corn
1836	6	9	30	8	1	4	4	2
1836-7	6	10	30	9	1	4	3	1
1837-8	6	11	26	10	2	3	4	2
1838-9	4	14	25	8	2	4	4	3
1839-40	9	10	21	10	3	5	3	8
1840-1	10	12	20	11	4	3	2	2
1841-2	9	7	22	15	5	3	2	1
1842-3	8	10	22	10	6	4	3	1
1843-4	9	7	21	8	7	7	2	3
1844-5	6	8	17	8	5	12	4	4
1845-6	6	6	18	6	9	9	5	5
1846-7	5	7	22	8	6	9	3	4
1847-8	4	7	21	9	7	9	4	3
1848-9	4	5	19	7	13	11	3	2
1849-50	6	5	12	9	11	12	3	3
1850-1	6	3	12	11	15	13	1	3
1851-2	9	4	14	11	9	14	2	1
1874-5	8	0	16	13	10	10	5	2

Source: Fraser, 1976:129.

Some of the variations between towns can be characterised by reference to a few instances. Leeds, for example, was the base of the celebrated Owenite James Hole and the radical Edward Baines. It is probably remembered for its good report by the Municipal Corporations Commissioners (Fraser, 1976: 116) and for the long running saga of its expensive town hall (Briggs, 1963: 158 -183). Manchester, a town with 'no effective machinery of modern local government' in the 1830's and not incorporated till 1838, was associated with radicals and rioting (being the location of Engels' observations on the condition of the working class). Later the Free Trade movement

was embodied in the 'Manchester School' and included liberal institutions such as the Manchester Statistical Society (founded 1833) (Briggs, 1963: 88-138; Fraser, 1976: 203 -210). Birmingham became the site of 'the civic gospel' and the 'civic renaissance' in the later nineteenth century, the apogee of the ideal of municipal government (Briggs, 1963: 184 -240).

Each of these perspectives emphasises the difference in the local contexts in which urban government was carried out, the complex interplay of political, social and economic forces. Even though the whole development of a local state apparatus can be seen as evidence for a decisive stage in the development of local rule and governmental technologies (Rose, 1996), the speed and extent of this process varied from place to place. Consequently, the roles and influence of corporate officers and the extent to which they contributed to the growth of government and calculative reasoning also varied.

One issue which caused cross party and intra-party dispute was that of 'economy' which emerged every now and then almost everywhere as new powers and expenditures were resisted by 'economists' and ratepayers. 'Economists' were groups of citizens who were opposed to the growth of municipal government and attacked all kinds of municipal expenditures from Town Clerk's salaries to rate subsidies from municipal trading concerns (Fraser, 1976). They pursued their objectives through local associations and organisations, the press, public meetings and local election campaigns.

Although many corporations had private improvement Acts e.g. for paving the streets, after 1835 the wider powers to carry out such works and finance them from rates or (with Treasury consent) from borrowing encouraged larger scale and more controversial schemes, such as water supply in Leeds, Liverpool and Leicester which took years to resolve. Salford, Birmingham, Nottingham, Bradford and Sheffield had

similar battles over various publicly funded schemes (Fraser, 1976: 154 - 174).

One particular professional expertise came to prominence at this time largely because of this - the civil engineering profession. It differentiated itself from military engineers in the late eighteenth century and established the Institution of Civil Engineers in 1818, receiving its Royal Charter in 1828. It was thus "the first case of conscious professional consolidation outside the traditional learned professions" and refused to accommodate the rival engineering specialisms which sprang up at the same time (mechanical, electrical, mining etc.). Another of particular significance for local government was that of land surveyors, who attempted to form a club in 1834 but were not successful until the Institution of Chartered Surveyors was launched in 1868 (Corfield, 1995: 181-3). Other professions based around health and welfare, and later, education, quickly developed in a local government setting. Relating these developments back to our earlier discussion (Goldstein, 1984), we can cite local governments as one of the main places where the new disciplines/professions emerged. The importance of local government as a site for the inculcation of liberal modes of governmentality through the welfare professions has been largely ignored but should be seen as significant (see Osborne, 1996; and Barry, 1996 for discussions along these lines in relation to public health and 'telegraphic politics'). The emergence of accounting in a municipal setting can also be seen as a part of the governmental technologies which produced the self-governing citizen (Rose, 1996).

The main types of public health 'improvements' carried out by municipal authorities were drainage and water supply schemes, highways and paving, and clearance schemes for public health or civic centres (Fraser, 1984). At this time, a whole discourse of contagion and disease linked to a new language of contaminated drinking water, inadequate sewerage and poor living conditions was used by philanthropists, reformers and public health experts such as Chadwick, Kay and Simon (Brockington,

1966). The power of the medical profession and scientists into urban government was extended and created conditions under which new jurisdictions for administrators also became available. The sciences of population and bio-politics were the means by which these measures were formulated and legitimated (Foucault, 1979; Hacking, 1982). But in municipal government the new or enhanced professional roles of public health reform came into being in a culture which was already familiar if not inculcated with the professional ethos by virtue of the significant proportion of professions represented on the councils.

Looking in more detail at the roles and responsibilities of the reformed borough/town corporate officers, we have already noted that the 1835 Act specified the appointment of a Town Clerk and Treasurer and that these officers were usually attorneys and bankers respectively.³ Thus we already have examples of specialised tasks and the involvement of recognised professional groups controlling those tasks, albeit with local political support. In the early years after reform, the officers tended to be political appointments. Thus in Birmingham, the first two town clerks belonged to a law firm which had acted for the Liberal cause for election and incorporation. Similarly, a new Liberal solicitor was installed in Leeds, and in Manchester and Liverpool. In the words of Joseph Parkes, "the *eminence grise* behind municipal reform", "Liberals are naturally looking to the Municipal patronage - county attorneys to Town Clerkships - Liberal bankers to treasurerships etc. etc. ... it is human nature" (quoted in Fraser, 1976: 147-8).

The practice of nominating the local banker as Treasurer persisted in rural areas until the Second World War. In 1937, 42 out of 62 counties but only 2 out of 83 county boroughs had this arrangement (Marshall, 1937). The significance and convenience of this was strengthened by the increase in local authority borrowing which took place later in the nineteenth century, even though by that time the government through the

Public Works Loans Board was also an important source of capital finance (with significant constraints attached) (Bellamy, 1988). Partly because of the domination of bankers in the role of Treasurers, it would seem that accountants were not much represented on town or borough councils. Given their numbers in 1851 (5,711 in England and Wales, 852 in Scotland - see Table 1) this seems rather surprising. Leeds for example had 22 accountants in the town in 1858 but only 1 on the council (Hennock, 1973). In Birmingham, the figures were 51 and 2 respectively (ibid.).

The growth of the accountancy profession has traditionally been linked with the industrial revolution and the emergence of capital intensive modes of production and its associated divisions of labour (Stacey, 1954; ICAEW, 1980). Of course, the art of bookkeeping was apparently one of the essential technologies behind pre-industrial commercial expansion alongside bills of exchange, stock markets, endorsements, discounting, banking etc. (Yamey, 1964; Braudel, 1982). The term 'accountant' or 'accomptant' appears as an occupation in Postlethwayt's *Universal Dictionary* of 1751, but did not appear in his estimates of the male heads of household with professional occupations in 1750, nor in Colquhoun's update of 1803, when the number of male professionals was put at over 84,000 (Corfield, 1995: 28 -30). The first firm of practising accountants was founded in 1780 by Josiah Wade in Bristol to audit merchants' accounts (Macdonald, 1995: 191). In Scotland a separate line of development seems to have emerged from the Scottish Enlightenment (Mephram, 1994) and in particular, the requirements of the early joint-stock canal companies (Forrester, 1994). By 1851, the number of male professionals had increased by over 200% and accountants in England and Scotland comprised 2.5% of them (Table1).

The particular impetus for the increase in accountants in England seems to be related to the rising levels of limited liability company insolvencies, and the Bankruptcy Act of 1831 recognised accountants along with merchants and bankers as suitable people to

draw up statements of affairs. The stricter bankruptcy laws in Scotland may have accelerated the formation of local groups of accountants in Edinburgh and Glasgow in 1853 and 1855 respectively. The Companies Act of 1867 further added to their opportunities and perhaps led to the first local association of accountants in Liverpool (Macdonald, 1995: 191). But the public perception of the embryonic profession was low following a number of scandals (Jones, 1981). Mr Justice Quain, for example, reflecting the rivalry between lawyers and accountants over insolvency and taxation practice, complained in 1875 that 'the whole affairs in bankruptcy had been handed over to an ignorant set of men called accountants' and it was said not to have been 'not an unusual phenomenon for a bankrupt who had thus gained a practical insight into business to develop into an accountant himself' (Worthington, 1875, quoted in Jones, 1995).

The foundation of the Institute of Chartered Accountants in London in 1880 was designed to differentiate the invited membership from other accountants and to define, licence and monopolise the market for reliable 'professional' accounting labour (Macdonald, 1995). Those excluded formed themselves into a rival organisation, the Society of Accountants and Auditors, later the Society of Incorporated Accountants, in 1885 (Garrett, 1961). The latter were castigated by the Institute as "a 'bogus' association whose membership comprised "a formidable array of clerks of all kinds' including 'shop-keepers, valuers, collectors of taxes, bailiffs... pawnbrokers and manure merchants" (quoted in Stacey, 1954: 28) (Willmott, 1986). In Scotland, a similar move to set up an exclusive accountants' club had taken place during the 1840s, with lawyers connected to the landed gentry prominent as early members (Macdonald, 1984). These developments marked the beginning of the fracture of the UK accountancy profession almost as soon as it was formally created which has continued ever since and has had significant consequences for municipal accountants.

So during the period of municipal reform in the early to mid-nineteenth century, the professional ideal was gaining currency and adherents in the wider society and the experience within municipal corporations reflected this, whether through professional men on the town councils or through a small but rising number of professional occupations carrying out the boroughs' business. Lawyers, bankers, civil engineers, doctors (in the role of Medical Officers of Health) and surveyors were gaining power in local government. And their power was accompanied by the emergence of new professional discourses of disease, contagion, incarceration and hygiene (moral as well as physical) alongside those of the 'business' professions. Yet the relationship between the discourses of 'welfare' and the 'business' professions in producing governmentality in a local government setting has not so far been elaborated in the literature. Drawing on the earlier material in this Chapter on the professions (Goldstein, 1984) and on the earlier discussions of governmentality in Chapter 1 (e.g. Rose, 1996), these discourses can be seen to be working in a similar kind of way. It is argued here (for the first time) that the profession of municipal accountancy has performed a similar 'strategic' role to that of the welfare professions in operationalising liberal forms of governmentality.

In central government, it was a different kind of story. The size of the career civil service had been estimated by King in 1688 as 10,000, which by Colquhoun's estimate of 1803 had risen only to some 12,500 (Corfield, 1995: 29). Most of them were employed in customs and excise collection. Yet by 1851, the number had risen to over 50,000, including nearly 4,000 in the East India Service (Table 1). In the early 1800s most of the posts were given through patronage, but the rise in numbers which accompanied a growth in the scope of government together with its expenditure and tax burden led to greater scrutiny of the workforce. Some of the new Boards and Commissions which had been set up to oversee the new Poor Law, education and the Tithe Board and followed the urgings of their Benthamite mentors to appoint assistants

on merit after competitive interview. In some cases, such as the Tithe Board, professional practitioners such as land agents and valuers were appointed as assistant commissioners (Evans, 1983: 286-7).

The problematisation and enrolment of a discourse of administrative efficiency (Callon, 1986) can be closely associated with Bentham and his followers. They used such means of influence as securing their nominees on newspapers and journals such as the *Examiner*, the *Westminster*, the *Jurist* and the *London Review*, through committees and ad hoc bodies such as the Greek Refugees Committee and The Society for the Diffusion of Useful Knowledge (where new converts from the Whig nobility could be secured), and finally through specialist societies such as the London Statistical Society and the Political Economy Club (Finer, 1972).

Most influential in the civil service was the overhaul of the India Office from the 1830s until the 1850s under the influence of James and John Stewart Mill. Here the difficulties of governing at a distance (Law, 1986), the political conditions in India itself compared to Britain and the British experience of operating in colonial circumstances with entrepreneurial agents (Keay, 1991) provided a good opportunity to introduce utilitarian ideas without upsetting vested interests. Thus an ethic of cheapness, orderliness and effectiveness was introduced, partly as an antidote to 'native corruption', but based around competition for posts, the expression of a range of opinion and the recognition of administrative expertise obtained through experience and promotion on merit (Ryan 1972; Osborne, 1994). Some parts of these debates have an interesting echo with the earlier discourses of police we discussed in Chapter 1 and which are claimed not to have been adopted in an English setting. These echoes have not been pursued by historians of the UK civil service, yet it might well prove fruitful to do so.

In the home civil service, the dominance of small groups of elite clerks appointed by patronage but confirmed by seniority made the administrative machinery difficult to adapt to new governmental responsibilities. In the Home Office, for example, where there had been steady growth in 'business' between 1822 and 1848, new subjects such as Poor Law administration, police, prison and factory inspection were 'farmed out' to 'out-departments' specially established to deal with them, while the privileged core of only 20 -24 clerks in the chief clerk's department remained unaffected. Clerks in this Office dealt with military commissions, warrants, patents and other formal instruments, paid the salaries of the Office and prepared Parliamentary returns. The other large department was the general domestic department which dealt with correspondence with the Lords Lieutenant, magistrates and local government officers.

There was a close and rigid hierarchy in both offices, beginning with the classified established clerks. There was much comment that in their early years, too much time was spent on 'mechanical' matters, but the organization of the offices was based on clerks being given detailed instructions in how to deal with the matters arising, which was then checked by a senior clerk. Over time, clerks did, however, gain wide experience of how matters 'should' be dealt with, and one of the arguments of civil service reformers was that this experience should be allowed to be voiced in the conduct of affairs (Donajgrodzki, 1972). But it is clear that 'administrative expertise', whilst deriving from utilitarian theorists, was in practice built around experience of office routines which were by their nature 'enclosures' ultimately defended by politicians. Donajgrodzki notes that the Treasury, though far larger than the Home Office, also exhibited the kind of 'conservatism of the clerks' that the Northcote-Trevelyan Report had in mind (Donajgrodzki, 1972: 85).

By the time of the Northcote-Trevelyan *Report on the Organisation of the Civil Service* (1853), influenced by local Financial Reform Associations critical of the rise in

public expenditure,⁴ public criticism of civil servants was being openly expressed. The Report itself criticised the service for appointing "the unambitious, and the indolent or incapable... whose abilities do not warrant an expectation that they will succeed in the open professions" (quoted in Evans, 1983: 287). But one of the main aims of the Report was to codify an internal differentiation between political and administrative civil service work and establish a clear distinction between 'intellectual' and 'mechanical' tasks. But this in itself was part of an attempt to develop a new ethos of liberal government through a 'technology of publicity' (notably the examination) which provided new ways for the governors to discipline and govern themselves as well as society (Osborne, 1994).

Arising from the report of the Civil Service Commission of 1855 and from the subsequent battles to get an 'administrative class' established, some developments occurred in competitive examination in the 1860s and open competition introduced in most departments in 1870. The acceptance of concepts like expertise, ability, economy, efficiency and effectiveness underlay the notion that officers could be chosen by examination or open competition to fulfil or exhibit these criteria better than by accidents of birth. Thus, although there was recognition that education was necessary and that adequate levels of education would most likely be found among particular classes (Ryan, 1972), there was nevertheless acceptance that the expanded role of government and the thousands of more or less routine but occasionally sensitive tasks it created required professional practices of their own. The trajectory of the civil service could therefore be said to follow the familiar professionalising route of closure based around a constructed expertise of administration, even though the outcome has not been constituted as a profession. But the content and effect of this expertise remains susceptible to a broader Foucauldian analysis of how the elements of professionalism, such as the idea of the self-regulating responsible but accountable civil servant, holding a post on merit by virtue of having knowledge and performing

recognised administrative and moral practices, came to be constituted. Such an analysis shows that 'central' administrative expertise was constructed in a different way using different subjects and discourses than was the case in local government.

In municipal accounting, we can locate a terrain within the organization of newly reformed municipal corporations where financial calculations and recording was performed and which existed in a milieu where organised expertise and the professional ideal were becoming established in a range of surrounding functions and tasks. As has been noted, in 1835 the distinction between elected councillors and paid employees of the council was not firmly and clearly established: in financial matters, the Treasurer was usually a councillor and banker, whereas the clerk, the bookkeeper, the 'accountant' was a junior post with no special expertise (clerks could be moved easily between functions), or at least any expertise which was capable of being 'enclosed' and extracting a premium of pay or status. Expertise in municipal affairs was defined by the councillors themselves as experienced men of business, landed gentry or independent professionals, and influenced by (though often resisting) a central government trend towards a centralising expertise based on a discourse around economics, efficiency and 'governability'. These attempts at a 'totalising' governmental regime were primarily directed against those arms of government which were safely remote from the central departments such as the India Office, and hence local governments, particularly in view of the growth in their activities, were seen by civil service administrators as prime objects of reform (Bellamy, 1988). Yet the local political loyalties and the links between municipal and Parliamentary affairs coupled with the growth of national discourses about problems of poverty and urbanism and how to solve them⁵ meant that many local authorities were able to exercise a considerable degree of autonomy in their affairs (Fraser, 1976). Reforms of central government finances and organisation were also difficult and took much longer (Roseveare, 1969).

The central point being made here is that the growth of expertise, whether over municipal affairs or the welfare of the local population, came to assume an autonomy of its own, an 'enclosure' which could not be penetrated by administrative or legal instructions from the 'centre'. This autonomy of expertise was promulgated through the activities of local authorities who therefore had a significance but unrecognised role in the inculcation not only of professionalism but also the creation of the responsibilised, self-governing subjects who are the object of the new forms of governmentality associated with the 'liberal' professions and liberal mode of government (Foucault, 1979b; Goldstein, 1984; Rose, 1996).

The Town Clerk emerged from the legal profession as being the head of the corporations' paid servants, but within the corporation there were recognised professional roles like surveyor, architect, civil engineer and medical officer. And the financial administration of municipalities offered a further possibility for the emergence of a professional role. Following partly from the debates about Poor Law administration (Chapter 2) but also in response to the attempts by central government to control the activities of often wealthy local governments, the accounts of the Corporations had been one of the chief concerns of the 1833 Select Committee and the subsequent Royal Commission. The opacity of municipal affairs reflected in familial and patronage appointments for life without elections and controlling often substantial town assets and revenues from property, tolls, markets and rates was evidenced to the Commission by the paucity of accounts and the inability of anyone outside the close corporation to inspect or query them. Consequently, The Commissioners were at pains to record the state of accounts in each of the towns under review (Table 3) and to propose new means of auditing them. Audit thus also became one of the mechanisms for linking the centre of government with sites of implementation through the growth of calculative regimes and also offered the possibility of providing a site for a professionalisation project (Rose, 1996; Power, 1994, 1997).

Table 3

Extract from the Report of Commissioners on Municipal Corporations in England and Wales (1835).

STATE OF ACCOUNTS		Towns Corporate
The accounts are regularly kept, audited and published, either by being printed for distribution, audited publicly, or being open to the inspection of the freemen, in		28
" "	kept, and audited (though in two instances very irregularly) but not published, in	68
" "	kept by an appointed officer, though neither audited nor published, in	62
" "	kept by an appointed officer, though the keeping of them has been commenced in a few years past, in	6
" "	ill-kept, inaccurate, or in a generally unsatisfactory state, not audited or published, in	20
" "	blended with accounts of the hundred rate, in	1
Their state is not described, owing , in various instances, to refusal of examination, in		14
No accounts are kept, the revenue generally being very small, in		21
There are no accounts because no revenue, in		17
TOTAL		<u>237</u>

Source: Municipal Corporations in England and Wales,
Appendix to Report from Commissioners (1835: 97).

The Commissioners found what they regarded as an unsatisfactory state of affairs in most places, with only 28 out of 237 reaching what they regarded as a desirable standard.⁶ But the regime they attempted to install as a means of bringing local

authorities more 'under control' relied less on the central prescription of exactly how accounts should be kept (Coombs and Edwards, 1995) than on a new discourse of probity and responsibility and an auditing regime designed to police this. Audit later developed its own set of distinctive 'professional' techniques, but the key aspect of these is that as a form of government it acts 'at a distance' from centres of government through its standardising but localised actions embodied in these techniques and discourses. Audit itself is no longer an item by item 'account' given by a steward in an oral hearing but a partial review of what are deemed to be the key aspects of the authority's affairs as revealed by its accounts and the procedures involved in constructing those accounts. It does not examine each and every transaction but extrapolates from only a few of them. Audit techniques came to be based on sampling and materiality criteria which themselves need to be legitimated (Power, 1997b), and are directed at forming a totalising judgement about the financial administration of a local authority. Arguably the power of audit lies less in the competence of its practitioners than in their powers to make public comment on the affairs of the authority (Jones, 1985). Thus the auditees are exposed to a new 'gaze' and come to 'discipline' themselves (Goldstein, 1984). Audit also therefore has an important place alongside accounting in developing a self-regulating population, and also generally fails to recognise local government as one of the key sites where its power and effects were generated.

The audit regime of the 1835 Municipal Corporations Act was not, however, entirely successful in meeting its espoused aims of 'improving' local authority accounts. Although it provided a legal incentive to formalise the keeping of accounts, it did not succeed in introducing a uniform and effective auditing procedure throughout the country. In particular, the failure to apply what became the government-employed District Audit with its powers of surcharge (after its beginnings in the 1834 and 1844 Poor Law Amendment Acts) left municipal ratepayers without specific redress except

public comment (Coombs and Edwards, 1993). The district auditor was given "full powers to examine, audit, allow, or disallow of accounts, and of items therein"..[and to] "charge... the amount of any deficiency or loss incurred by the negligence or misconduct of any person accounting, or of any sum for which any such person is accountable, but not brought by him into account against such person" (quoted in Jones, 1985: 3).

The Poor Law authorities under the 1834 Amendment Act were authorised to appoint "paid officers with such qualifications as the said commissioners shall think necessary for the examining and auditing, allowing or disallowing of accounts" (ibid.). By contrast, the elective auditors for boroughs consisted of two elected ratepayers' representatives who had the requisite financial and residence standing to be councillors and one actual councillor nominated by the mayor. There were no powers or duties of the municipal auditors except that the accounts were to be submitted to them, and that they should sign them if they found them correct (ibid. page 4). This system of audit persisted in some boroughs until 1974 (Coombs and Edwards, 1990, 1993, 1995). It has been argued that the relative freedom that elective audit gave generations of borough treasurers and accountants is one important factor in the establishment of diverse accounting practices and the ultimate formation of a separate professional body (Jones, 1986, Coombs and Edwards, 1993: 35-40). The District Audit developed an expertise of its own with respect to local authority audit but never recruited professional accountants from practice in any large numbers. Eventually, its member became eligible to join its auditees' institute, the Institute of Municipal Treasurers and Accountants (now CIPFA), in 1959.

So neither the 1835 Municipal Corporations Act nor the Commissioners who compiled it made any specific reference to the *form* of the accounts or the bookkeeping methods which should be used, except that all assets and liabilities regarded as 'public stock'

should be brought together into a 'Borough Fund'. This distinction was important, however, because it separated for the first time the affairs of the corporation from the affairs of its individual members, and also identified separately the mostly charitable funds for which the corporation acted as trustee. Otherwise, they confined their comments simply to the adequacy of account-keeping using general criteria of accessibility and intelligibility. In the Municipal Corporations Act 1835, the Treasurer was required to keep "true accounts of all the sums of money by him received and paid" and to make them available for inspection by the councillors and auditors. Following the audit, the Treasurer was required to produce an abstract of accounts to be available to any ratepayer who asked for them (subject to a charge). It is clear from the Commissioners' evidence that the receipts and payments method (though variously called 'revenue and expenditure', 'receipts and expenditure', 'receipts and disbursements' 'income and expenditure', even 'payments in and payments out') was the dominant method for those corporations which kept accounts (Table 3), although the feudal 'charge and discharge' persisted in a few places. Many of the larger towns were able to produce or concoct balance sheets showing stocks, loans, Chamberlain's balance and net indebtedness. 133 of the corporations (56%) had borrowed for public works and were in debt to a total of £1.8m. (Appendix to Report of the Commissioners (1835: 98).

So how did a practice of bookkeeping, initially organised in support of a local governing elite well equipped through a shared understanding of business procedures and civic management, come to aspire to be the basis of a professionalisation project which by the beginning of the twentieth century proved itself to be virtually immune to being significantly changed by the several Parliamentary and Departmental Committees which inquired into various aspects of it?

These inquiries were concerned with, for example, Municipal Trading (1900 and

1903), Repayment of Loans by Local Authorities (1902) and Accounts of Local Authorities (1907). Although the Joint Select Committee on Municipal Trading met over 50 times and took around 600,000 words of evidence, its most positive result for accounting and audit was merely to maintain the status quo (Jones, 1985b, 1986: 158). Politics and 'interests' played a large part in instigating these debates, such as those commercial, industrial and financial concerns opposed to regulation, taxation and competition from municipal enterprises. There were also professional rivalries: the Institute of Chartered Accountants, for instance, expected its influence (wrapped up in a discourse about 'proper accounting practice' which, of course, it was itself responsible for) to extend to municipal affairs (now dominated by the Institute of Municipal Treasurers and Accountants and the Society of Accountants and Auditors - see below). But the technical aspects of the accounting practices in use proved too entrenched for lay committees to dislodge. This power did not necessarily reside in the profession's ability to promote its own self-interest, partly because accountants were represented on both sides of the argument, but arose because the rationality of accounting itself prevented an alternative set of practices being constructed according to the same rules of validity. Audit procedures were no substitute for close experience of how current practices were operationalised, and 'lay' committee members were unable to enforce their recommendations, for example concerning the introduction of accruals accounting (Jones, 1985b).

The Institute of Municipal Treasurers and Accountants (IMTA), who numbered 154 in 1900, had quickly become the main professional association representing accountants in local government. Founded in 1885 as the Corporate Treasurers and Accountants Institute (CTAI), "there being no Society or Union in existence for the furtherance of objects common to all Municipal and other similar local financial officers", it followed a familiar professionalising process: after rejecting taking a share in a 'public' journal it began its own journal *Financial Circular* (1896), drew up

procedures governing expulsion "of any member whose conduct has been such as prejudicially to affect the welfare of the Institute" (1898), prepared a case for a Royal Charter (1899 but unsuccessful until 1959), was incorporated under the Companies Acts (1901) and set its own examinations (1903) (Sowerby, 1985). It was never able to obtain a monopoly over the appointment of local authority Chief Financial Officers, but gained considerable influence over local authority accounting practices in the following years despite opposition, if not hostility, from the rival accountancy bodies, including the Society of Incorporated Accountants and Auditors (SAA - also founded in 1885), to which some other local authority treasurers belonged. The latter difficulty was resolved when SAA members were allowed to sit the IMTA final examinations without being required to pass any other (Garrett, 1961).

The 'pre-professional' phase of the CTAI/IMTA - the period during which a defensible occupational enclosure was constructed which ultimately translated into an examinable body of expertise which provided professional credentials, is thus of key importance, and the remainder of this Chapter considers this in more detail.

Corporate and Municipal Treasurers and Accountants

We look first at some changes in the size and status of municipal treasurers' departments in the period 1835 -1885. Leeds, for example (Table 4), a borough since 1626, was reformed in 1835 (Burt and Grady, 1994) and the existing Borough Treasurer, a member of the Council and of the local Beckett's Bank, John Smith (1797- 1866) was reappointed. One Edward Bolton, probably at this time an employee of the Bank since no salary for him or John Smith is given in the accounts, was Borough Accountant.

As noted above, the distinction must be made between 'keeping' and 'publishing'

accounts, i.e. the difference between the underlying records and the published abstracts and summaries. The assumption here is that subsidiary records and accounts were kept on a double-entry basis including a ledger or daybook system and that, generally speaking, the published accounts reflect the practices used in the subsidiary records (Coombs and Edwards, 1994, 1995).

The first accounts published were in 1850 and consisted of 7 pages of the Borough Fund and 3 pages for the Gaol Building Fund Account. By 1856 the accounts had increased to 41 pages and consisted of the following accounts:

- Borough Fund
- Borough Gaol Building Fund
- Improvement Rate Accounts
- Leeds Lamp Rate Account
- The Main Sewer Rate Account
- The Leeds Waterworks Account.

The Borough Fund was kept on a 'receipts and expenditure' (really, payments) basis, and the main headings were as follows:

Receipts

- Watch Rate
- Expenses of prosecutions [from central government]
- Borough Rate
- Town Hall loans [from private individuals]
- Borough gaol receipts [from central government for maintenance of convicts]
- Total £47,719 18s 10d.

Expenditure

Constabulary

Elections

Borough Quarter Sessions

West Riding of the County of York [for militia, lunatics, bridges, York Castle &c]

York County Assizes

Salaries and Allowances

Corporate Buildings

Town Hall

Miscellaneous

Borough Gaol

Cash in hand.

There follows a one page statement of loans outstanding on the Town Hall (£52,612) and rate arrears from the Leeds Townships (£5,734 8s 6d). The abstract of the Borough Gaol account is similar. The Improvement Rate Accounts include rate and street income (i.e. from residents), market, burial ground and scavenging income and some personal loans for the Borough of Leeds and each of the 12 townships making up the Leeds conurbation. The Lamp Rate account totals only £4,721 for gas lighting. The Main Sewer Rate Account is similar, but includes a loans statement showing £101,000 worth of loans raised. The Leeds Waterworks was purchased by the Borough in 1852 and the Leeds Waterworks Accounts is divided into three: capital account, revenue account and 'general balances', and a memorandum of loans of £270,031 14s 9d.

The latter accounts are of particular interest since they are drawn up on an income and expenditure (i.e. a full accruals) basis, including depreciation on water meters, although no capital valuations are given except by defining the value of the assets as

the amount of finance needed to purchase the company from its private owners and to construct new facilities⁷. Nevertheless, in other respects these are 'commercial' accounts which by implication could be proposed as needing the same kind of expertise being constructed and defended by the independent accounting profession in private practice. In 1872, the case for a specifically accounting expertise could be strengthened further by the acquisition of the town gasworks (built in 1818) for £763,225. This enterprise also required capital and revenue accounts and a balance sheet, although no depreciation was charged. The capital value was also based on the amount of finance raised through loan, mortgage etc.. Nowhere does an item headed profit or loss appear.

By 1881, the Borough Fund itself had a capital account statement showing, for example, new police stations, stores, offices, parks etc. financed mainly by loan or debentures, but this account was kept only on a receipts and expenditure (i.e. payments) basis. This practice remained standard on local authority capital accounts even after the revenue accounts adopted a modified income and expenditure convention which included debtors, creditors and stock but not depreciation. These practices of separate capital and revenue accounts, one kept on a cash basis, the other on a modified accruals basis became one of the defining features of local authority accounting until 1995 (see Chapter 4).

Under the 1875 Public Health Act, boroughs became local sanitary authorities and were given further powers to levy rates for sanitary purposes. This added to the upward pressure on expenditure and accompanied attempts to limit the effect on urban ratepayers by for example preventing revenue expenditure being financed from borrowing. The 1835 Municipal Corporations Act instigated a general process of Treasury and Local Government Board sanction over capital expenditure, which was reinforced by an 1860 Act restricting loan periods.⁸ The rationale for taking these

powers involved expressing an anxiety that politicians with limited electoral terms would be tempted to 'mortgage the future' by building popular facilities whilst in office but financed on terms which would penalise future ratepayers. But there were also long running 'economist' arguments by followers of Adam Smith and supporters of '*The Economist*' newspaper (founded in 1843). These groups opposed municipal borrowing on grounds similar to more recent 'crowding out' theories (Bacon and Eltis, 1975), as well as the moral imperative of parsimony.

Thus debates about the rise in size of local debt which dominated the Treasury and Local Government Board (formed in 1871) at this time could be detected behind some of these measures (Roseveare, 1969). Later, as the level of expenditure and borrowing rose still further (Bellamy, 1988: 79 -101), it became clear that local rateable values would be unable to support the levels of expenditure and as services began to acquire 'national' characteristics. For example in education, specific grants or 'assigned revenues' from central taxation began to be made to municipal authorities, but always accompanied by some increased requirements of scrutiny through audit, statistical returns or government inspection of services.

Table 4 shows the effects of all these changes on the size of the Treasurers' department in Leeds. In 1856, the Treasurer and his clerk accounted for a borough fund of under £50,000 in published accounts running to 41 pages. By 1881, the Treasurer had 11 clerks accounting for revenue and capital funds totalling £1.26m and producing accounts running to 400 pages. By 1914, the size of the department had grown to 81 (but excluding 63 clerks responsible for collecting gas, water and electricity payments), responsible for revenue expenditure of £2.5m, and rate collection, loans and cumulative capital expenditure of almost £20m and producing accounts of around 600 pages. In 1890, William Beckett Denison Esq. MP (of Beckett's Bank) had been Treasurer since 1877, but his successor William Derry, Borough Accountant in the

same period (indicating he might previously have been an employee of the bank) became a Fellow of the Society of Accountants and Auditors and was still City Treasurer (and Superintendent Assistant Overseer) in 1914.

Table 4
Municipal Treasurer's Department, Leeds.

Published Accounts Year Ending	number of pages	Town Clerk's Salary (£)	Treasurer's Salary (£)	Treasurer's Staff nos.	cost (£)
1850	10	500	n/a	1	n/a
1856	41	500	182 including	1 clerk	
1860	60	500	150	1	43
1870	82	600*	150	2	87
1875	181	1250	500	8	638
1878	400	1250	500	11	969
1881	400	1250	500	11	1,372
1914	600	1750	1,000	134#	15,262

*including deputy

includes 63 gas, water and electricity clerks.

Source: Borough and City of Leeds annual accounts.

In Manchester, the details were different but the trend over the period 1835 -1914 was similar. The new Manchester Council Finance Committee in 1838 was charged to "inquire and report what officers were necessary for conducting the business of the corporation, viz. - Town Clerk, Treasurer, Town Sergeant". They clearly had had some problems with previous post holders since it was specified "That the person who shall be appointed Treasurer to this borough, shall be required to devote his whole time in the service of the Council, and to perform such other duties, in addition to those directed by the Municipal Act to be performed by the Treasurer, as the Council

may from time to time direct". This reminds us that in the 1830s, the concept of full time professional employees was something of an innovation (Corfield, 1995). In addition, security was required: "the Treasurer shall be required to give sufficient real or personal security to the amount of £5,000 for the due performance of the duties of his office" (Manchester City Council Proceedings, 1838: 128).

The appointment of Treasurer was conducted more openly than elsewhere: following the short appointment of Mr John Thorpe from 1839-42, the Judicial Committee advertised in all the Manchester papers for a replacement, attracting 22 applicants, 4 of whom were from outside the area. 4 were shortlisted and Daniel Broadhurst (of Manchester) was appointed. Unfortunately, the deliberations of the Committee are lost.

The first published accounts for the Borough of Manchester were for the period 1838-1840 and consisted of 4 pages of 'borough fund account' prepared on a receipts and expenditure (payments) basis. In 1842/3 the Treasurer's salary was increased from £300 to £500 as a consequence of the transfer of the police commission to the council. The published accounts ran to 10 pages, the borough fund mostly made up of quarter sessions and police expenses financed by borough rates. Total expenditure was £55,824 12s 2d. Other accounts published were for the township of Manchester, the Stipendiary Magistrate's Rate Account, the Paving Fund Account, the Township of Manchester Stock Account (which included items such as lamps, horses and carts, fire engines and 'town hall land' (£6,500), and town hall building (£35, 542) and other premises, apparently at cost), Gas Department and township accounts for Chorlton-upon-Medlock and Ardwick. Accruals were first introduced for the District Fund in 1850 (Coombs and Edwards, 1995:95).

In 1866 the move to the new town hall gave an opportunity to observe municipal

departments jostling for space in the new accommodation, and also appealing to the validity and justice of calculation in pursuing their case. The accommodation of the Treasurer's department in its old premises was 156 sq. yds. offices and 46 sq. yds. stores. New accommodation totalled 481 sq.yds., but this was based on a standard calculation for the space required by a clerk of 4' 6" by 7'6" each desk, which for 35 clerks in the general office gave them an 'entitlement' 1155 sq. ft. Representations were made by the Finance Committee to the General Purposes Committee on behalf of the Treasurer's Department that their new accommodation was inadequate, but they got no response. The published accounts in 1865-6 totalled 115 pages and included the following accounts:

City Fund Account

Manchester Burial Board Account

City Gaol Construction Stock Account

Railway Station Improvement Account

Railways Compensation Fund Account

Corporation Offices Mutual Guarantee Fund

Manorial Rights Account

Market Extension account

Township Accounts

Manchester Free Library Extension Account

Liabilities on the Capital and Revenue Accounts (loans and debtors/creditors)

Gasworks Assets and Liabilities Account, and Profit and Loss

Manchester Corporation Waterworks - revenue account

- estimated liabilities and assets

- construction account

- 'statement of amount of bonded debt'.

At this time, the 'Finance Department' consisted of a cashier, a bookkeeper and two clerks, salary cost £528 2s 4d (plus Treasurer's Salary £500). The Treasurer's salary was increased to £650 p.a. in 1867, but a further move in 1871 was not approved, although a subsequent proposal in 1872 to increase it to £750 went through unopposed. The Treasurer's office had two full-time and two part-time clerks at a cost of £531 16s 2d. The published accounts were 153 pages long. In 1880 the borough was badly affected by a scandal at the waterworks involving embezzlement by the chief cashier and greater safeguards and controls were called for. It was probably this which led to the introduction of the double-account method (Edwards, 1985) for capital expenditure (Coombs and Edwards, 1995:95). By 1894/5 an assistant treasurer was appointed following the death of the old accountant, and some of the staff of the Department received promotions and changes in duties as follows:

John Williams, former Chief Clerk, now Chief Accountant

John Carrington, mortgage and sinking fund clerk

George Mallory, former senior assistant bookkeeper, now assistant accountant

Thomas Atkinson, former consolidated stock ledge and dividend clerk, now
consolidated stock and Thrift Fund account

James Wood, former assistant bookkeeper, now senior assistant.

The total cost of these new posts was £1,135 plus Treasurer and Assistant Treasurer £1,275. The published accounts were now around 500 pages long. In total, there were 29 clerks and bookkeepers in the Department. By 1897, the Treasurer Martin, having been appointed in 1858 and now aged 83, was relieved of active duties and his salary reduced to £500 p.a. in recognition of his long service, but he seems still to have been in post in 1900. By this time, there was apparently a general financial crisis in the borough and the Finance Committee took the initiative of scrutinising all expenditure. This step was not successful and efforts continued till 1912 when a 'tightening up' was

reported, especially on current expenditure. By this time, the accounts included details of estimates vs. actual expenditure, capital and revenue accounts, trading funds, financing accounts and rate accounts.

So we can see that the size, scope and, by implication, status of the Treasurer and his staff (measured by salary) more or less kept pace with the rise of the Town Clerk, but not their 'productivity' measured in terms of the number and extent of the accounts they maintained. What seems remarkable, as at Leeds, is how so few staff (up to the 1870s) could keep all the necessary records. It appears that the growth in Treasurer's departments was directly associated with a growth in 'civic consciousness' and associated actions by boroughs and cities to develop the trading organisations (water, gas, electricity and tramways) appropriate to such civic pride (cf. Briggs, 1963). The discourse of civic pride became intertwined with the discourses of public health, 'modernity', 'efficiency' and morality in utilities, transportation, communication and welfare. The Treasurers were able to append the apparent 'scientific validity' of their calculative practices onto these discourses of 'proper administration' and 'civic well-being' and make themselves an indispensable part of municipal affairs. But they were not able, then or subsequently, to supersede the legitimacy of lawyers.

Thus the rise of influence of municipal accounting accompanied the growth of the large urban communities. In smaller boroughs, the accountancy function developed more slowly. In Bury, for instance, in 1876 the Borough Treasurer was also manager of the Bury Banking Co., in which all borough funds were invested. The Treasurer and the cashier, 'later accountant', looked after all financial business. Their efforts received a rebuke in 1880 when the Treasurer died and the commercial firm of auditors appointed to the borough requested double entry accounts and a sinking fund with investments in government stock or exchequer bills (Bannister, 1974). In Nottingham, the Treasurer was a bank appointment till 1913, when the city accountant became also City Treasurer (Gray, 1960).

Many other examples of the growth of municipal accountancy can be found throughout English and Welsh local government. How can we interpret the professionalisation of municipal accounting in this period? Firstly, we can identify municipal accounting as one of the governmental technologies which inscribed liberal government as a mentality of rule (Rose, 1996).

It has been argued in this Chapter that professions, particularly the 'welfare' professions, had an important role to play in the process of inculcating the new habits of governmentality which made the mentality of liberal government possible. These professions are particularly implicated in the construction of governmentality through the sciences of population and bio-politics (Foucault, 1977; Goldstein, 1984). It has been further argued that local government was a key but neglected site in the emergence of the discourses and practices that operationalised professionalisation and its governmental effects. The importance of professional practice in constructing and legitimating the self-governing citizens able to look after their 'own' interests in conjunction with professionals but at a distance from the apparatus and institutions of central government power has been recognised (Goldstein, 1984; Rose, 1996). What has not been recognised, or at least as fully articulated, is the importance of 'business' professions such as surveyors, bankers, lawyers and accountants in these constructions and local governments as the locales in which they were able to emerge.

In local governments throughout the country, 'men of affairs' were running the local political and professional institutions and developing techniques, devices, codes, rules, plans, minutes, budgets, accounts and calculations alongside other constructions of the time of the Reform Acts and after, such as the concept of the self-interested voter, taxpayer and citizen who would act as a constraint on the power of local governmental institutions through participation in elections and appeals to auditors (Fraser, 1976). These new entities offered vital supplements to the often cumbersome devices of law

and internal government communication. The latter in any event was unable to prescribe, police and govern every significant action of a diverse and often dissident population. Thus discourses about 'proper administration' and orderly 'civic society' emerged to support these practices and institutions in the inculcation of the habits of governmentality.

Municipal accountancy thus also facilitated the construction of entities which entered in municipal discourse such as 'the ratepayer', the 'voter', the 'responsible citizen', 'civic society', the 'cost' of services, the discourses of municipal probity and accountability, the distinction between the 'Corporation' and its 'professional advisers' and so on. In deriving a set of practices needed to inscribe the activities of local governments, more and more calculative devices, pages of accounts and transactions, budgetary programmes and more and more clerks were needed. The practices became a basis for a professionalisation project which partly derived its power from its association with better established professions in the local governments in which it was located.

Thus the 'problematization' of government characteristic of the liberal mentality of rule (Rose, 1996) is mobilised through such entities as audit and accountancy and their professional discourses. Through appeals to disembodied and apparently neutral expertise, professionals were able to construct and were themselves constructed by, domains in which autonomy and self-regulation were able to be deployed to define a realm 'beyond politics', even though the appropriation, allocation and distribution of 'real' resources was involved. The power of inscription (Robson, 1992) made the Treasurer's departments centres of calculation whose consequent power created knowledge which then constituted more power (Gordon, 1980; Foucault, 1977, 1979a).

The process of being subjected to and the object of professional discourses whether of

welfare, business or 'good government' is argued to be part of the production and government of a polity of free citizens which marks the shift away from the *raison d'état* of the rule of the sovereign and the administrative sciences of police and cameralism (Rosen, 1953; Meinecke, 1962; Oestreich, 1982; Pasquino, 1991). It is accompanied by two types of discipline- of the body and of the population (Foucault, 1977) in order to produce the action at a distance required by a central authority unable to scrutinise personally the behaviour of every citizen. The disciplines of the body (inculcated by the professions) constructs 'governable persons' - individuals with self- mastery yet embedded in a set of disciplinary relationships and techniques of self- rule produced by schools, prisons, moral codes, medical science and so on which are necessary for them to be governed as subjects. We can see the construction of the individualistic ratepayer and voter in municipalities acting according to tenets of self- interest in accordance with discourses of economy and democracy in this way. This acts as a counterweight to the apparently arbitrary and corrupt closed corporations where accidents of birth determined the social order yet which were unable to produce the natural order and disposition of human affairs their power and status promised.

The second kind of disciplinary power arising in liberal government pursues biopolitical strategies to comprehend the laws governing the domains which the free citizens inhabit - the accumulation of statistical information about the population, about its health and reproduction, its pathology, its mobility. And it creates the discursive objects which contain these individuals - the economy, the family, the firm, the community. It knows, through technologies of audit and inspection and devices such as censuses and surveys, both about what kind of trajectories of behaviour are possible and what position on the trajectory the population is occupying at any particular point in time. The activities and report of the Commission on Municipal Corporations and the requirements of Treasurers to produce and submit accounts would be good examples. Programmatic schema to enable government at a distance

are developed using the new categories of the social - sanitary reform, education, factory and electoral reform, town government and so on. These programmatic intentions rely on new kinds of experts and expertise which develop their own programmes and political projects and establish new domains of rule which are distinguished from the purely political.

So we can also see municipal accountancy as one of these new forms of expertise and the developing authority of its practitioners as part of the means of shaping and instrumentalising this liberal mode of government. The accounts of local authorities (some of the categories of which we have discussed above) represent the social order of the town or city in a tabular, calculative fashion, making Town Halls centres of calculation (Latour, 1987)

Therefore it is seriously misleading to follow the traditional interpretation of accounting changes in local government as responding to the 'needs' of the state (summarised as a need to control local expenditure on behalf of local taxpayers) for financial control of the corporations (e.g. Jones, 1986; Coombs and Edwards, 1995)⁹. It is widely accepted even by what might be called theorists of the state (e.g. Abrams, 1988) that the 'State' is not a monolithic intentioned object orchestrating these changes, even though the utilisation of laws, bureaucracies, funding schemes and agents are part of the way in which political forces seek to give effect to their strategies (Miller and Rose, 1995). This debate will be developed further in Chapter 6.

In the case of municipal accountancy, it is possible to identify as actors a wide range of individuals, departments, institutions and organizations, such as the Board of Trade, the Local Government Board, their Ministers, the Councillors and officers, the accountancy profession, the District Auditor, other auditors, national and local

ratepayers' groups, political movements and so on. These various entities certainly had 'interests' and their interaction would be capable of analysis in these terms (Hindess, 1986). For example, the 1903 Joint Select Committee on Municipal Trading, discussed above, identified a range of commercial, financial, professional and governmental interests which arguably attempted to impose a range of requirements on local authorities (who resisted) in support of their various concerns about restraints on trade (such as Factory legislation, child labour, environmental regulation and so on), local municipal monopolies, rises in local taxation and spending, corruption among local officials, national consistency in the supply of public services and so on. And devices such as Select Committees, Enquiries, debates in the press, private lobbying and so on are the conventional ingredients of political science analyses.

This kind of political analysis could cope with interactions between them: the political intrigue and manoeuvring between and within, the rivalry between different factions and specialisms, the roles of the various 'actors' in changing or failing to change accounting practices. For example, existing analyses give prominence to the members (councillors) and officers of the corporations, who, through hiring accountancy firms as auditors or advisers, were able to 'improve' municipal accounting (Coombs and Edwards, 1995).

But these analyses also draw attention to a range of other factors, many of which cannot decisively answer questions about why accounting practices changed in the way and at the pace that they did. For example, they emphasise the importance of 'local initiatives' and the role of personalities and local traditions, as well as local politics (Coombs and Edwards, 1995:101-103). There is some emphasis on the effect of the capital requirements of municipal undertakings and the impact of acquiring commercial undertakings, such as water works, which already (often but not always, and rarely in the form approved by the accounting profession) employed commercial accounting

practices and conventions. What is lacking is any attempt to relate accounting to the discourses of government, probity and professionalism beyond quoting from the rationales offered by the accounting profession (inside and outside local government), and certain uncomprehending politicians, about the 'poor' state of local authority accounting. An apparent growth in expenditure is seen as leading inevitably to a need to control it. Expertise is regarded as being developed by the 'leading' proponents (for example, Swainson) and 'applied', through persuasion, exhortation and occasional statutory encouragement, to laggards (always with the positive effects associated with 'innovation'). The many attempts to introduce standardised local authority accounts and accounting practice throughout the twentieth century would be a good example (see Jones, 1985b on the topic of accruals accounting). The source of the authority of the expertise is not examined: there is an unstated assumption that accounting practices which can be shown to be on a direct line with our practices today are the ones we should be concerned with, and that the functionality with which they should be evaluated is unquestioned because we now 'know' what 'better' accounting is.

But the authority of expertise is not self-evident. The value of accounting practices cannot be assessed in isolation from the construction and recognition of categorisations, notations, mechanisms and devices labelled 'accounting', nor from the concepts which need to be operationalised before accounting can be thought of as means of governing - concepts such as periodisation, budgets, cost centres, borough funds, ratepayers, etc. and means of conceptualising 'the economy', 'growth' and 'expenditure' and 'interests' (cf. Miller and O'Leary, 1990). It is not a question of expertise being an accessory to power struggles between various 'interests', with the dominant interest using the appropriate expertise to perpetuate their ideological supremacy (cf. Curtis, 1995). The authority of expertise (even in the guise of philanthropy) is an autonomous component of rule even though its mobilisation is

shaped by the familiar panoply of professionalisation - licence, regulation, credentialism, bureaucratisation etc.. And it is temporally and arguably inherently associated with the operation of liberal modes of government (Rose, 1996: 43-7).

So can we specify the source of the expertise which is constructed by municipal accountancy? As we have seen, its early form consisted largely of categorisation. The double-entry form of accounts as applied to local authorities required little more than an ability to classify a transaction according to a range of pre-existing types and to make a separate record of the financial side of it, usually cash. Given a set of ledgers, a clerk could easily learn how to recognise, allocate and record a transaction. Periodic accounting and auditing required accumulation and summarisation of these entries. Apart from double-entry bookkeeping, we can identify two other components of municipal accounting in 1835 - budgeting and rating (accounting for local taxation), and the separation of funds (separating the financial activities of a local authority in discrete accounting entities with specific purposes, such as the Borough Fund, trading funds, superannuation and loans funds etc.). Later, with the wider development of capital works and the systematic distinction between capital and revenue expenditures (associated with the acquisition of trading entities like gas and water undertakings), the distinctive form of capital accounting based on the double account method was introduced (Edwards, 1985), taken from the system imposed on railway companies (Glynn, 1994: 337). In addition, the modified accruals convention developed and the aggregate balance sheet produced (Coombs and Edwards, 1995).

So some of the techniques which formed the basis of the expertise of municipal accountancy were formulated into programmatic intention in Parliament and the governmental machinery responsible for overseeing local government. We can see this as helping to create a market for expertise in the local authorities but also as a way of creating centres of calculation at a distance from government in locales with a

distinctive political autonomy and often antipathy to the central state. But we have also seen that the capability of the centre to specify in any detail the kind of accounting practices which might be necessary to reproduce an exclusive authority of rule was very limited, and did not go much beyond attempts to specify accounting periods, require financial returns, regulate loan transactions, seek authority for certain kinds of transaction and allow audits - by local citizens rather than by a centralised expertise of district audit. The knowledge to perform these kinds of actions consists mostly of knowing *that* they were to be performed, as well as *how* and *why*. The latter were more the province of a handful of professional proselytisers such as the early members of the Corporate Treasurers' and Accountants' Institute and the IMTA (Sowerby, 1985), who produced what can be regarded as 'the knowledge' professionalisation needed (Larson, 1984). But the ways in which this knowledge was produced and validated cannot be taken for granted or assumed to originate in the university (Abbott, 1988).

Even if one assumed a 'central - local control' model, we know that the 'implementation' of the regulations was often partial (Jones, 1986). So though an educated local citizenry might be relied upon to ask in 'lay' terms for accounts of rates collected and how they were spent, knowing what *should* be accounted for and how forms an important differentiator between the knowers and the laity¹⁰. As programmatic intentions became more extensive, this kind of knowledge also became a source of *internal* differentiation within local authorities, i.e. between the councillors and paid officials, who through interpretation of legislation and regulations began to assume the role of *advisers* to the local politicians.

Another source of knowledge arose from the requirements of fund and rate accounting. As we have seen, as programmatic intentions in the fields of sanitary

reform, street paving and lighting, parks, libraries and police developed, separate accounts had to be kept to preserve the link between the rate and the purposes to which it was applied. So although the form of these accounts followed the same receipts and payments method, their sheer proliferation and the number of transactions needing to be appropriately recorded eventually translated into a large increase in the number of staff needed to deal with them. It is actually a testimony to the power of accounting that two or three individuals could inscribe and represent the affairs of a conurbation like Leeds for so long. But this kind of knowledge is really based on *availability* - knowing that the records exist and where they may be found.

Constructing budgets i.e. categorising institutional activities in meaningful ways and estimating their cost in a given period, is potentially a bigger source of authority, since it requires knowledge of programmatic intention, of techniques to master the uncertainty inherent in the future and knowledge of the means by which the one can become congruent with the other. But the categories in use were constructed as shared meanings, e.g. about categories of police activity, or were related to fixed objects such as property, and although some power did arise from this source, it was not one which could in itself become a defensible enclosure, especially since responsibility for implementing the programmes did not lie with the accountants who recorded events. There was a knowledge about budget categories and about the representation of activity in terms of these categories, which was largely also a matter of *availability*.

The most likely source of accounting expertise around which to construct a professionalisation project might seem to be loans accounting. It is true this does in principle require some knowledge of business statistics (e.g. how to calculate interest) and market conditions (how much to pay for the money you wish to borrow). But in local authorities in the mid-nineteenth century this source of expertise was largely appropriated by non-accountants - by, for example, the local banker/treasurer, by the

men of business on the council and by the distant officials in the Treasury and Poor Law/ Local Government Boards. The clerks largely simply recorded the details in separate memoranda accounts, making sure that appropriate interest due or owed or repayments of principal were included in the accounts at the appropriate time. Right up until the first World War at least it remained common practice for the Treasurer or members of the council to authorise and stamp all payments.

Finally, there is capital accounting as a potential source of expertise, and here local authority accountants were able to claim that since, from early in the century, they were accounting for activities previously carried out in the private sector, it follows that whatever expertise was appropriate there, they should also acquire and employ it. In other words, they were able to benefit from the professionalisation of the whole accountancy profession even though (not being members of 'recognised' accounting firms) they were not eligible to join the Institute of Accountants. Many did join the Society of Accountants and Auditors, though their presence complicated the moves within the profession to concentrate its jurisdiction around independent auditing and accounting firms (Willmott, 1986).

So in summary it is difficult to identify a distinct corpus of knowledge or set of techniques around which a monopoly of expertise proposed by market-led theories of professions could be constructed (e.g. Larson, 1977). On the other hand, there clearly can be a monopoly of knowledge which arises purely from creating, having access to and custody of records which political agencies need in order to rule. This is a knowledge based on simply knowing and inscribing what has happened and in what form these records should be kept so that the 'liberalisation' of government can proceed and function. Practice, especially calculative practice, produces power which produces knowledge, which produces power and practice. Over time, knowledge becomes a tradition, if not a mystery. The effect of this is to create a barrier to non-

knowers who though in some cases were probably able to understand the records if they had access to them, are simply unable or unwilling to commit the necessary time and energy to unearthing them. Thus a domain or jurisdiction becomes available in Abbott's terms (Abbott, 1988), which, though subject to competition from other groups (bankers, bureaucrats, commercial accountants, surveyors and tax assessors etc.) can be defended and eventually have wider expertise incorporated into it as the later stages of professionalisation get under way. From the point of view of government and the imperatives of liberalism, its disciplinary function can be constructed and performed at a distance through programmes and technologies such as accountancy mobilised in the geographic locales in which the citizenry and objects of rule are situated.

NOTES

¹ The Cost Accountants formed a separate Institute in 1919 but might well have emerged instead as a profession within engineering rather than accountancy (see Loft, 1986; Fleischman et al., 1995).

² The range of occupations of councillors reported by the Commission throws interesting light on the social history of the towns concerned as well as the history of professionalisation. Some of these were as follows (page numbers refer to Municipal Corporations in England and Wales, Appendix to Report from Commissioners, 1835):

DEVON

Exeter (p488) South Molton (p613) Totness (p 641)

2 surgeons	6 surgeons	Banker
2 gentlemen	5 solicitors	Grocer
2 attorneys	1 gentleman	Barrack Master
captain RN	1 clerk	Attorney
wine merchant		MD
printer		Esq.
'of the record office'		Banker
hop merchant		2 Gentleman
banker		Major General
1 not given		Captain RN
2 vacancies		Attorney
		Commissariat

Exeter ctd.

Aldermen

druggist

3 gentlemen

2 wine merchants

post-master.

Plymouth (page 581)

Aldermen

Esq

2 merchants

solicitor

2 gentlemen

3 Capt. RN

sail maker

surgeon

wine merchant

Barnstaple (page 430)

Comptroller of customs

Merchant

Coroner of the County

4 Bankers

3 Solicitors

2 Surgeons

Lace maker

Lime burner

Surveyor of Customs

Collector of Customs

Clothier

4 not stated

WALES

Brecon (page 179)

Archdeacon

5 Esquires

3 Solicitors

Stamp Distributor

Baronet

Esquire, Major

Esquire, Solicitor

Esquire, Barrister-at-law

Clergyman

Clerk to Turnpike Trustees, Commissioner of Taxes &c

St Clears (page 377)

" All the officers of the borough consist of farmers, artificers or labouring men, ignorant of business, and very imperfectly acquainted with the English language; and it was with some difficulty that I could obtain any intelligible account of their proceedings"

WILTSHIRE

Malmesbury (page 78)

Capital Burgesses

labouring tyler and plasterer

2 labourers

labouring thatcher

Malmesbury ctd.

publican
gardener
staymaker
carpenter
ropemaker
plasterer

"the defective state of its municipal institutions is said to deter respectable persons from resorting to the town, while the singular distribution of the town lands, the share assigned to the select body of the corporation, and the mode in which the select body is perpetuated, seem to have a striking tendency to unsettle industrious habits, and deprave the morals of the place... I find that the signature of Simon Pike [new alderman], as well as the rest of the Return, is in the handwriting of Joseph Pitt, the elder, Esq., the patron of the borough before the Reform Act." (p 80).

[NB South Eastern and Northern circuits - no information given]

HANTS

Basingstoke (page 1101)

Aldermen

2 common brewers
3 esquires
2 attorneys-at-law
banker

Burgesses

common brewer
2 surgeons
chemist
gentleman
schoolmaster

DORSET

Bridport (page 1141)

Capital Burgesses

7 merchants
2 bankers
2 solicitors
esq.
surgeon

DERBYSHIRE

Derby (page 1849)

Aldermen

esq. surgeon
plumber and glazier
brewer
distributor of stamps
printer and bookseller
jun. printer and bookseller
surgeon
2 bankers
esq.

Brethren

2 esq.

Capital Burgesses

esq.
esq. M.P.
painter
maltster
wine merchant
cotton spinner
clerk
grocer
solicitor
M.P.
plumber and glazier (as aldermen)

Derby ctd.

banker

3 vacancies

2 hosiers

iron merchant

clerk

M.D.

Esq. M.P

iron founder

corn merchant

ESSEX**Harwich (page 2263)****Aldermen**

banker

2 collectors of customs

2 surgeons

'a former commander of an extra packet'

2 not given

Capital Burgesses

physician

former linen draper

3 former captains

surgeon

barrack master

merchant and ship owner

stamp clerk, former ropemaker

stockbroker

builder, auctioneer and appraiser

farmer

landing waiter

farmer

attorney

retired commander

comptroller of customs

former commander

a landing waiter 'at Barbadoes'

commander

linen draper

former anchor smith

baker

miller and farmer

"there are three dissenters on the list"

Maldon (page 2437)**Capital Burgesses**

2 insolvent farmers

glassman

former clerk

ship agent

farmer

parish clerk

shoemaker

former linen draper

miller

journeyman

2 victuallers

comptroller of customs

collar maker

vicar

surveyor

tailor.

³ Bankers were a recognised high status occupational group if not yet a formal profession at this time, being among those authorised by the Bankruptcy Act 1831 (along with accountants and merchants) to draw up the bankrupt's state of affairs (Macdonald, 1995:191).

⁴ e.g. The Registrar- General Horace Mann's report to the Royal Statistical Society on the cost and organization of the Civil Service (Evans 1983:285-6). See also earlier attacks on the levels of taxation and the need for reform, such as Parnell (1830).

⁵ See also Chapter 2.

⁶ Although several places attracted favourable comment, e.g. Ludlow, Liverpool, Wigan and Bedford, it seems that one of the unspoken objects of the Commission was to provide a rationale for a more rigorous accounting regime for municipal corporations, some of which were at the time some of the biggest economic organisations in the country (Coombs and Edwards, 1993:28, 30; Jennings, 1935).

⁷ See Coombs and Edwards, 1995: 95 Table 2 for a summary of the main accounting 'innovations' and the dates of their adoption by 5 other corporations (Birmingham, Bradford, Bristol, Cardiff and Manchester). They categorise the changes as:

accruals

accruals based balance sheet

capital/revenue distinction

double account system

aggregate balance sheet.

According to this classification, Birmingham was the first to complete the full introduction of all these practices (by 1860), but all 5 had done so by 1900 except Bristol, which did not adopt an aggregate balance sheet until 1922.

⁸ see Chapter 4 and Coombs and Edwards, 1992.

⁹ Although considering the impact of ratepayers and interest groups such as councillors, officers and clients, and 'local factors' such as recruitment policies, Coombs and Edwards conclude: "the main influences were the need to account more effectively for growing municipal expenditure, with the distinction between capital and revenue dictated by statutory obligations" (1995: 104). Jones (1986) entitles his thesis "The History of the Financial Control Function of Local Government Accounting in the United Kingdom".

¹⁰ Although both Jones (1986) and Coombs and Edwards (1995) agree that demand from ratepayers was not significant in the 'development' of municipal accounting practice.

Chapter 4: Accounting and the 'New' Public Sector: Local Government Capital Accounting.

This Chapter considers the case of local government capital accounting as an example of the way in which accounting practices in local government change, often over a long period of time.

Accounting and the 'New' Public Sector

Following a long period of growth and expansion, the public sectors of many western economies changed significantly during the 1980's and 1990's. The nature of and reasons for these changes are disputed, but attempts to characterise and summarise them draw attention to changes in the way public services are managed and made accountable to governments, managers, users and citizens. Thus, the changes are characterised as, for example, 'managerialism' (Pollitt, 1990; Zifcak, 1994), 'new public management' (Hood, 1991; Hoggett, 1991), 'accountable management' (Humphrey, 1991; Humphrey et al., 1993) or 'management by accounting' (McSweeney, 1994). The 'new' public management is contrasted to an older public administration discourse (Dunleavy and Hood, 1994), but its exact content differs significantly from country to country even to the extent of it not being recognisable at all in some settings (Hood, 1995; Flynn and Strehl, 1996; Guthrie et al., 1997), and, far from a new 'global paradigm' having emerged, a 'plural' future is envisaged (Hood, 1996).

So in the space of a few years, certain countries have, with varying degrees of vigour and extent, changed the structure, language and modes of operations, behaviour and accountability of their public services. These changes were somewhat belatedly captured by academics proposing a widespread set of common themes and impulses, but by the late 1990's this attempt at a totalising analysis has become less assertive and more nuanced as

research has brought together more of the different experiences and identified more variables. The more common explanations for change, such as changes in governments, economic crisis and modernization are shown to be inadequate (McSweeney, 1996).

But even though convincing generalisations seem more difficult to come by, a feeling persists that there are some large scale forces at work which act in different ways and through different agencies to produce a set of changes whose exact form may be difficult to predict in any particular context, but which are ultimately irresistible and irreversible. This feeling may not, of course, be confined to notions of government and public services, and not all academics, especially some social theorists, are convinced that something is fundamentally changing. Nevertheless, whether fundamental or not, there appears to be a consensus that widespread changes in the practice of public administration and management have occurred, and that economic calculation and the technologies surrounding it, such as accounting, have been heavily involved (Miller, 1990; Miller and Rose, 1990; Pusey, 1991; Rose and Miller, 1992).

That makes it all the more surprising that public sector accounting remains something of a speciality in the accounting literature. Hopwood and Tomkins (1984: 3) noted that "there is...very little tradition of public sector accounting research and very few accounting academics have been concerned with public sector questions" . That situation has changed somewhat in the last dozen years, but the comment illustrates that until relatively recently, accounting had not been seen as a crucial factor in public sector change. Work had been focussed mostly on the 'technical' aspects of accounting (Broadbent and Guthrie, 1992; Lapsley, 1988), which has attracted the criticism that accounting researchers have ignored the consequent 'disappearance' of public services (Humphrey and Olson, 1994). Attempts by accounting academics to review and assess changes in public sector accounting

practices by placing them in their social, political and economic context (cf. Hopwood, 1983) have been few.

Broadbent and Guthrie (1992) categorise recent 'contextual' work into two: the 'technically contextual' and the 'contextually technical'. By the former, they mean "[the examination] of the application of 'new' accounting technologies in their specific contexts". Examples given are the Financial Management Initiative, performance measures and indicators, annual reporting, performance auditing, revenue generation and a composite area "linking changes in specific accounting technologies to the raft of other accounting, management and organizing technologies being promoted in the public sector in recent times".

The other category, of 'contextually technical accounting', they see as a literature "which is concerned with the way accounting impacts on organizations as whole entities". Thus, this category is characterised by the organizational context, defined as, for example, central government, local government, public business enterprises (such as nationalised industries) and 'public institutional systems' such as health care, education and other social institutions.

So their distinction, although not easy to sustain (for example, Humphrey's studies of the probation service (1991b, 1991c) which "are concerned with the application of the FMI to the probation service" nevertheless are categorised as 'contextually technical'), provide some sensitivity to the prime focus of research as being either an organizational setting or a specific accounting technology, but with the problems such a dichotomy inevitably brings.

This Chapter, like Humphrey's work, could also fall within both categories, being

concerned with an aspect of a specific accounting technology (accruals accounting) within one organizational setting (local government). Accruals accounting (that is, a recognition in periodic financial statements of non-cash events such as debtors, creditors, stock movements and the depreciation of assets) is seen as one of the accounting technologies crucially associated with the 'new' public sector, 'new public management', 'accountable management' or 'management by accounting' in a discourse purportedly about the importance of 'true costs' (Hopwood, 1984, 1990).

This discourse has become very powerful in local and regional governments in a large number of western economies, with accruals accounting being proposed or introduced in, for example, New Zealand (Pallot, 1990, 1992; Australia (Guthrie, 1996; Spence, 1996a, 1996b), Germany and Austria (Luder, 1997), Italy (Caperchione and Guarani, 1996; Mussari, 1996), Spain (Elorza, 1996), France (Schied, 1996), Belgium (Christians, 1996), Sweden (Falkman, 1996), Hungary (Gubanyi, 1995), Poland (Jaruga and Nowak, 1996). Canada, Ireland, Norway and Finland are also contemplating or have introduced such changes..

The apparent profundity of the changes in public sector management engendered by accounting has prompted a search for their origins. Although the main readily available explanatory candidates have since been shown to be unable on their own to provide convincing explanations for the changes (McSweeney, 1996), many researchers have attributed the changes to fiscal 'need' or political factors (e.g. Butler, 1993; Metcalfe and Richards, 1990; Pollitt, 1993). But longer term perspectives have become available. Some accounting researchers have detected precursors to current developments in the various budgetary and managerial reforms introduced into the UK in the 1960s (Russell and Sherer, 1991) and associate it with 1950s developments in the USA which were imported

into the UK in the 1960s such as the PPBS and ZBB budgeting systems (Humphrey and Scapens, 1990).

But on the whole, this is as far back as most accounting researchers wish to go, possibly because the phenomenon under study seems to be a contemporary one, which is contrasted to an older discourse of 'public administration' (Dunleavy and Hood, 1994), or 'bureaucracy' (du Gay, 1996). Since it is difficult to identify any of the specific technologies associated with 'new' public management any further back than the postwar period, researchers seem to believe that no useful understandings about current phenomena can be found there.

This raises important epistemological issues which I have discussed in Chapter 2 above, but whatever stance one takes to the problems of historiography, it is easy to demonstrate that a discourse surrounding accruals accounting in local government has been constructed and pursued since at least the mid- nineteenth century. But simply to trace the contours of these debates, mostly within the accounting profession and parliamentary inquiries (Jones, 1985b; Coombs and Edwards, 1992a, 1993, 1994, 1995) does little to help us construct understandings of why and how the discourse of accruals accounting comes to have particular salience in particular circumstances, and hence whether it is a necessary and inevitable part of public sector accounting reforms. In order to arrive at such understandings, we must take a longer and broader view. The most significant modification to the customary cash basis to governmental accounts which has been discussed in the international contexts mentioned above is the treatment of capital assets in financial records and statements, and the remainder of this Chapter will be primarily concerned with this.

Capital accounting in Local Government in England and Wales

"Local Authority balance sheets portray councils as debt-ridden. They do not get anywhere near showing their true worth. Revenue accounts are downright whimsical in their portrayal of the cost of assets used up in providing services. The remarkable thing is that after a century of local government, that state of affairs should still exist"

John Scotford, County Treasurer, Hampshire County Council and Chairman
of the CIPFA Capital Accounting Working Group,
Public Finance and Accountancy, 19 February 1993: 12.

"For any professional body to be worth the name, it has to be concerned with raising standards, including advocating new standards when old ones have served their time. What is acceptable in one circumstance may become quite unacceptable in another"

Noel Hepworth, Director of CIPFA, *ibid.*: 2.

"..in a Utopian world the concept of asset rental would underpin all accounts in both the public and private sector... [W]e do not live in such a paradise, but rather in a mean spirited, anti-public sector environment. Acceptance of theoretical virtue of the nebulous aspiration does not provide a basis for extrapolating that into a mandate to impose an expensively irrelevant system of accounting on local authorities"

Jeff Pipe, Assistant City Treasurer, Birmingham City Council, *ibid.*: 20.

These quotations identify two important aspects of the 'problem' of capital accounting in local authorities in England and Wales in the late 1980's. One aspect is historical: reforms, by definition, must have something *to* reform. No reformer starts with a blank sheet of paper (or a cultural vacuum) and hopes to implement changes unhindered by the past. The 'history of the present' must be concerned with the relationships between those

elements which constitute the present, and to understand these relationships we must consider how they were constituted differently in the past (Chapter 2 above).

The second is the concept of interests in accounting (Arrington and Puxty, 1991).

Professional practitioners, for instance, have interests in promoting a particular view of rationality and also (and thereby) in retaining or enhancing their social position. Both of these aspects are facilitated by making claims to be raising standards of and in accounting. The implications of this as represented by the practitioners themselves in the quotations above are that accounting is not one fixed body of knowledge applicable for all time, and that changes to it may not necessarily be brought about simply because some experts see deficiencies which *could* be remedied.

There is no doubt that perception of capital accounting in local authorities as a 'problem' dates back in several important respects at least to the adoption of the system of accounting which prevailed for well over a century: the emphasis in local authority accounts from the mid nineteenth century onwards not on the **value** (current or historical) of the assets owned by local governments but on the amount **borrowed** to produce them. (Jones, 1985b; Coombs and Edwards, 1992). However, it would be a mistake to take an issue which has at various times and for various reasons been regarded by some as a problem in need of urgent solution and believe that historical perceptions of it have always been the same, even though similar arguments seem to surround them.

The conventions which surrounded local authority accounting in the nineteenth century involved the Local Government Board (created in 1871 through a merger of the Poor Law Board and the medical department of the Privy Council), together with the Board of Trade and the Treasury (an institutional triumvirate which was to remain crucial to local

government down the years). These institutions could be said to embody the dominant governmental values of the time within a workable regime. A feature of this regime was the pre-eminent governmental administrative perceptions and requirements (represented by the Treasury and the Local Government Board) rather than accounting interests as represented through the Board of Trade and by the embryonic accounting profession. This perception emphasised the separate legal status of local governments and their liability in respect of loans taken out by them, but also an apprehension over the size of the rising national debt and the need to ensure that local governments behaved 'responsibly' with the rapidly rising funds provided directly by ratepayers and indirectly by taxpayers through government grant-in-aid. Thus the departments sought to control the variables important to them through the legal and administrative methods they were familiar with and in accordance with their own discourses of probity and proper administration rather than through the accounting regimes which shareholders and accountants had instilled into commercial concerns. Thus, for example, there was more emphasis on the production and audit of accounts (exemplified earlier by the Municipal Corporations Acts of 1836 and 1837) rather than the form they took (Coombs and Edwards, 1993. 1995).

One consequence of this was an emphasis on cash accounting which has persisted up to the present day. For a long time, following the Municipal Corporation Acts of 1836 and 1837, authorities were required to keep accounts on a 'receipts and expenditure' basis. By the time this formulation was repeated in the Municipal Corporations Act 1882, it became the subject of some derision from both local authority and 'commercial' accountants as it demonstrates clearly the lack of appreciation by Parliament of accounting niceties which the profession complained of. It was generally accepted that what was meant was 'receipts and payments', i.e. the cash accounting convention rather than the 'income and expenditure' basis favoured by the accounting profession. The latter involves a recognition

that events with financial consequences could have occurred but had not yet affected the organisation's cash flow - for example, goods having been received but not paid for by the end of the accounting period. These 'accruals' remain one of the basic accounting conventions, even in public services (but not yet fully in all central government departments - see HM Government, 1995). A further aspect of the accruals convention is another non-cash charge on the accounts which is vitally implicated in the debate about capital assets: depreciation. A full accruals basis implies that the cost of asset depreciation is also recorded in the accounts. Other means of providing for the replacement of assets such as sinking funds and reserves were much debated, but all suffered from the difficulty that, unlike commercial concerns, these arrangements ultimately required additional funds from ratepayers to finance them (Coombs and Edwards, 1992). This was one of the main problems with introducing full accruals into local authority accounts which defeated a number of initiatives over the years¹.

What perhaps is most remarkable is the durability of the administrative regime of the local authorities and the Local Government Board throughout a period where its validity was frequently challenged by a range of different and often powerful interests. This in turn raises the question of what was **different** about the forces and arguments deployed in the late 1980's and early '90's which eventually succeeded in changing it.

Capital Accounting - the Arguments

Conventional asset accounting then and now, seeks to represent, in monetary terms, various facets of physical or intangible assets with a range of different purposes. 'Capital' is a wider term than 'asset' and may mean the monetary value of ownership rights or credit not yet committed to definite physical assets, as well as the physical assets themselves. In the public sector, the most significant of the purposes for which capital accounting

might be used is conventionally summarised as:

- 1) asking whether 'opportunity value' (alternative uses or benefits of existing assets) is assessed and acted upon;
- 2) making capital expenditure decisions;
- 3) deciding whether capital stock is being maintained;
- 4) deciding whether the costs of capital stock maintenance are equitably shared

(Perrin, 1984).

Usually based on historical cost, these calculations and representations are produced with some recognition that most physical assets wear out, become obsolescent etc..

Depreciation is the accounting means of measuring and recording this change, and there are various ways of estimating the effects which can be said to arise in a particular accounting period. For example, it is possible to depreciate an asset over its useful life so that at the end of the period it has zero value in the balance sheet and is written out, or to provide depreciation so that at the end of its life enough depreciation has been provided so as to **replace** the asset at its then market price. The varying pace at which an asset's balance sheet value declines can be accommodated, e.g. we are familiar with the idea that a new car loses a large percentage of its value as soon as it leaves the showroom yet declines in value more slowly thereafter. In most accounts, however, these subtleties are ignored. Some assets can **appreciate** in value: land, for instance, and in these cases capital reserves are created. Still others, for example railway tracks, will maintain their value so long as adequate repair and maintenance is carried out. Hence it may not then be appropriate to depreciate them. Despite sometimes heated debate, the historical cost convention is still the most widely used in all kinds of accounting: current or replacement cost bases, though used, are not so widespread.

From the mid nineteenth century to the introduction of the new capital accounting regime in 1994/5, local authority assets were shown in accounts in a way which emphasised the remaining amount **owed** on them rather than what they **cost**, let alone what their **value** was estimated to be (Coombs and Edwards, 1992a). This was because other sources of finance, for example, contributions from local income (such as markets and tolls), local authority trading undertakings (e.g. gasworks) , or from rates were extensively (and legally) used. Although there was usually great enthusiasm from reforming councillors to provide the new amenities the public were said to need, authorities frequently repaid debt early in the interests of prudence. After repaying the loan, no further charge for using the asset appeared in the revenue accounts. For those authorities which exceeded their minimum disclosure requirements set down by the Local Government Board and did show the historic cost of their assets (mainly County Boroughs, Metropolitan Boroughs and Joint Trading Boards i.e. the main urban areas of the country) the undepreciated historic cost of the asset remained in the balance sheet and could remain there forever. For other authorities, only the loans outstanding were shown.

The effect of all this was that, even on an historical cost basis, accounts did not clearly show the accumulated or depreciated current value and cost in use of the assets owned and operated by local authorities. It was claimed, for instance, that it made it impossible to show the growing lobby of ratepayers (concerned about the massive increase in rates which occurred during the nineteenth and early twentieth century (Bellamy, 1988) that their money was being 'wisely spent' on lasting assets rather than, as many suspected, being used to support municipal profligacy and to encourage idleness among the recipients of services (Fraser, 1976).

The primary aim of the government departments involved in seeking accounts from local authorities was not, however, to show the current value of local authority assets. Concern

with the public debt was an old preoccupation of government and its Treasury, driven by apparently endlessly recurring crises, with particularly problematic ones occurring in the seventeenth century. The reforms to the running of the public finances introduced during the Restoration period provided a statutory framework which persisted for several generations. Nineteenth century anxiety was the more acute since there had been a long period of fiscal pressure engendered first by the American and then the Napoleonic wars (Binney, 1958). There followed a time of widespread expansion of the scope of local government services associated with demographic changes such as large scale rural migration to urban areas, discourses of poverty, health, sanitation, civic consciousness and morality, a rapidly growing economy and a reform movement determined to eradicate the worst excesses of the untrammelled industrialisation. It is claimed that the term 'local government' only obtained its modern meaning during this time (Webbs, 1963). The result of these factors was a rise in public expectations which found its political outlet in reform of the political institutions of government beginning with Parliament and the executive through the application of utilitarian ideas and the reform of the civil service (Chapter 3 above) but quickly spreading to local government. The introduction of a discourse of administrative efficiency accompanied rapid improvements in public services such as highways and sewers and later in the nineteenth century in health, housing and education.

Large capital projects, such as sewerage schemes, required the granting of a private Act of Parliament to proceed, a loan sanction to borrow the monies required and a stipulation of the maximum period of the loan. This maximum period was intended to ensure that authorities did not owe money on assets which had decayed. Consequently they were set for periods expected to exceed the useful life of the asset. Although originally the maximum period for the repayment of loans used for acquiring land was set at 120 years, this was quickly brought more into line with the life of the assets built on it, and a maximum of 60 years came into effect. It was later argued that the loan repayment was

essentially the same as depreciation, since it corresponded to the depletion in value of the asset as the loan was redeemed (Coombs and Edwards, 1992: 186-191). However, a range of issues including fluctuating interest rates, technological changes (e.g. the widespread use of gas and electricity ²), and variations in the use of loan finance meant that this correspondence was only approximate, although almost certainly the biggest obstacle to showing the current value of assets in the balance sheet (only one of the possible purposes of capital accounting) was the historical cost convention itself.

Municipal Trading

By the end of the nineteenth century, most municipal corporations had extended their activities into a wide range of undertakings including water supply, gasworks, electricity supply, tramways and canals, together with a discourse of 'efficient management' to go with them (cf. Knoop, 1912). Some of these enterprises were new but some were acquired from private sector owners. The issue of appropriate compensation sparked a long running debate about the accounting conventions of local authorities compared with those of their private sector equivalents.³ As with other developments, municipal corporations obtained the power to acquire or establish these trading undertakings by local Act of Parliament and with it the sanction to borrow the necessary funds. As with other assets, the balance sheets of the local authorities gave few clues to their current market value. However, since at this time the justification for these undertakings was the provision of **public** services, the question of their book value which would be needed for subsequent sale simply did not arise. It was thought (by the Local Government Board and the Treasury) to be far more relevant to concentrate on the extent of government indebtedness, hence balance sheets and capital accounts typically began with the entry 'loans outstanding - Town Hall'.

Other interests had rather different concerns. Private owners of utilities which were municipalised were interested in obtaining the maximum price they could, although here as elsewhere their accounts were unlikely to provide a basis for a transfer value, since valuation and depreciation practices varied widely and owners were anxious to stress the potential as well as the historic value of their assets. Privately, some owners were only too glad to get rid of decaying assets such as obsolete water mains or old tram tracks at a large profit. The political tide to put these 'essential services' under public control meant that even otherwise shrewd councillor-businessmen were happy to go along with recommendations from their officers to acquire the patchwork of privately provided services to knit into the municipal fabric.

There were also, however, discordant voices. Political opposition to municipalisation objected not only to the process itself (and the powers the corporations had secured for themselves) but also to the financial regime the municipal enterprises were subject to. The latter not only involved increasing the national debt but also the presumed inefficient financial administration which would arise under municipal ownership and give rise to additional local taxation⁴. These views became part of a strong lobby to bring 'proper accounting practices' to bear on local authorities and for them to be audited by trained, qualified accountants rather than the long-established system of audit which consisted of lay members of the community elected annually to inspect the accounts. These auditors tended to be either lawyers or worthy laymen; it was argued by the accounting lobby and its allies that they were hopelessly ill-equipped to pass judgement on the probity of complex corporation accounts (Coombs and Edwards, 1993). The latter, moreover, included activities which had often been taken over from the private sector where they had been subject to private sector accounting disciplines⁵.

This campaign was only partially successful and in a way which also demonstrates the relative power of government departments rather than the accounting profession: despite hostility from the municipal corporations, the audit eventually came under the control of the Local Government Board itself and became the 'District Audit' (Coombs and Edwards, 1990a, 1993, 1995) but it developed its own specialised workforce which did not employ trained accountants in a big way until the 1960's (just at the time that the General Accounting Office in the U.S was bringing other professions into its program reviews (Grimwood and Tomkins, 1986)). At the turn of the century, the district auditors' insistence on cash accounts, reflecting the government's interests, was one of the sources of local treasurer's antipathy towards them⁶.

A potent force in the lobby for more 'professional accounting' was the ICAEW, who in a long series of articles in *The Accountant* and elsewhere drew repeated attention to the deficiencies as they saw them of municipal accounts (Coombs and Edwards, 1991, 1992). This culminated in a series of articles entitled 'The Form of Municipal Accounts' in 1897. Praising Sheffield Corporation for showing its assets at historic cost less depreciation where appropriate, i.e. in accordance with commercial conventions (this was additional to the requirements of the Local Government Board), it took the opportunity to attack Bolton Corporation whose Treasurer was at the time President of the Corporate Treasurers' and Accountants' Institute (formed in 1885). But his balance sheets clearly demonstrated the local accountants' rationale for the predominant form of local authority accounts. He had three headings for his capital assets:

'Remunerative and Realisable Works' which included gasworks, electric supply, waterworks, markets and tramways i.e. municipal trading undertakings;

'Unremunerative but Realisable Works' which included the Town Hall, parks, recreation grounds museums, cemeteries ("less grave spaces sold"), depots etc.;

'Unremunerative and Unrealisable Works' , including street improvements, sewage works, roads and a bridge.

(*The Accountant*, 20/2/1897; Coombs and Edwards, 1992)

The valuation basis of each of these classes of asset is revealing: the first two classes are stated at cost less sinking fund provision (a method comparable to depreciation whereby amounts are set aside as investments which eventually provided funds for the replacement of assets) . The final class, however, is treated as being worth *only 'the amount from time to time due upon them'*, i.e. the balance of loans outstanding. The logic for this, in the perspective of the time, is understandable, although criticised by *The Accountant*. Since there was no thought or intention to sell things like roads and sewers and no alternative to local government being responsible for them, it follows that their most definite determinable value is the amount of any liability owing on them. This logic underlies the whole debate about asset valuation of governmental assets and is only really challenged when the idea of transferring assets from public to private control (or vice versa) is raised. It is not quite as straightforward as this, however: proposals for nationalisation or privatisation also revive or reflect interest either in the alleged inefficiencies and poor financial control of public bodies (nationalisation) or their alleged inadequate accounting procedures (privatisation). In both cases 'proper accounting' is one of the remedies offered.

The Post-War Period

This issue again became prominent in the immediate post World War II period when a wide variety of industries were nationalised. The new nationalised industries frequently consisted of both private companies and former municipal undertakings and again the

question of compensation assumed prominence and again the differences in accounting practice were crucial. In the electricity industry, for example, compensation to private companies was contested and said by their owners to be unfairly low, but the terms on which municipal electricity undertakings were to be taken under central government control provoked an outcry from local authorities and their ratepayers. Compensation was offered on the basis of 'net debt' i.e. the amount outstanding on the loan used to provide the asset. The paradox was that not only did the net debt basis not reflect the current and future value of these usually profit-making entities, but the more prudent a council had been in building up that enterprise through being more reluctant to borrow and perhaps relying on higher contributions from the rates etc., the lower their compensation was to be. Some 370 municipal electricity undertakings on which an aggregate of £400m of capital monies had been spent were to be nationalised for a capital sum of about £200m, while the capital sum payable to about 190 company undertakings with assets at cost of some £300m were to be nationalised at something more than that. In the gas industry it was estimated that the market value of the assets was £91m yet the outstanding debt on which compensation was to be paid was only £22m⁷. Needless to say, the net debt basis for the transfer of municipal assets prevailed.

It is often argued that the post-war nationalisations represented some kind of high water mark for collective aspirations and consensus in the UK, whatever assessment is made of the subsequent performance of these industries and whether or not they achieved the hopes of the originators.⁸ This consensus more or less prevailed for over thirty years. Although there were always comments about the control of local spending and the extent of central government support of the rates, on the whole public expectations of public services continued to rise and Labour and Conservative governments vied with each other to build more roads or houses. Meanwhile, the accountancy profession was busy

extending its membership and influence. Municipal accountants were no different, and throughout the 1940s and '50s tried repeatedly to obtain a Royal Charter for their Institute. This was finally granted in 1959 with the appearance of a deal whereby District Auditors, by then employees of the Ministry of Housing and Local Government, were able to become members i.e. recognised as qualified accountants, a status which had previously been denied them. Later, auditors from the government's Exchequer and Audit department were also allowed to join.

The structural reforms of local government put in place by the Heath administration spread municipal accountants widely beyond local government: with the establishment of new separate entities for health, water, gas, electricity, transport and urban development. Seeing this as an opportunity to break out of the municipal corral, and following a failure to merge with the ICAEW in 1970, the IMTA obtained a supplementary Royal Charter, becoming the Chartered Institute of Public Finance and Accountancy in 1973, and began to seek a stronger voice on the governing committees of the accounting profession. Influenced by its new proximity to the mainstream of accounting views, a continuing perception that a unified profession could achieve more than its component bodies alone and by pressure from the new Department of the Environment (DoE), the CIPFA leadership began to encourage discussions about 'improvements' to accounting and reporting practice based on the application of commercial accounting conventions such as Accounting Standards into public authorities.

Municipal accounting practice during the 1960s and 1970s had rather been concentrating on the new possibilities opened up by statistical techniques, for instance in resource allocation decisions, and the computers to run them. Inter-authority comparisons became easier to perform and highlighted the huge range of accounting and reporting practices in use⁹. Internally, great emphasis was placed on integrated structures and new management

techniques, largely imported from America such as PPBS and MBO. The new county councils and metropolitan authorities were heralded as being the evangelists for a new scientism and rationality in local government affairs. Local government professionals like lawyers and valuers began to be ousted by a new 'profession' in local government - career managers. And Treasurers and accountants were their natural allies.

Fabricating Change 1980-1990

In retrospect, the optimism of the 1960s and 1970s seems misplaced. The structural reforms of both central and local government in the early 1970s seem now not to have been the burst of rationality the reformers claimed but a first reaction to the possibility that the expectations of indefinite growth and rising living standards instilled by the long post-war boom might not be sustainable for ever. In that last golden period, new public services were being invented by politicians and the new public service professionals at the same time as economists and money markets began to warn about the potential limits to public expenditure. The oil crisis of 1973 is claimed as the turning point, but it seems likely that sooner or later some fundamental shock to the UK economy was bound to occur. The first budgets of the Labour government elected in 1974 saw the official demise of Keynesian demand management and the beginnings of the turn to monetarism under the inflation/stagnation combination that affected many western governments. But the balance of payments crisis of 1976/7 and the IMF loan terms to restrain public expenditure set in train the first round of local government budget pressures which have continued ever since (Hall, 1983; Harrison, 1989).

Perhaps as the result of some combination of professional ambition and fiscal crisis, this period was also the beginning of the revival of interest in local authority capital

accounting. In 1974 CIPFA's Accounting Panel published a pamphlet on Local Authority Accounting which proposed, inter alia, that capital assets should be depreciated if revenue costs were to be correctly stated (CIPFA, 1974). As part of its attempts to accede to the mainstream of UK accountancy, CIPFA was also reviewing the applicability to local authorities of a wide range of accounting standards and proposed standards (CIPFA, 1975), and another working party recommended a system of notional loan charges (to be called capital charges) to attempt to reflect the 'true' economic costs of using assets in the revenue accounts of local authorities (CIPFA, 1977).

Following the logic of the practice of emphasising the amount owed on assets in the balance sheet, the 1972 Local Government Act had laid down specific requirements for pooling and charging the debt repayments to revenue accounts, and the changes proposed would have necessitated some revision or accommodation of this which would have been difficult and/or expensive to implement. But the main obstacle was the uncertainty about the way the accounting profession in general would deal with the problem of asset values following the period of high inflation in the UK economy. So-called Current Cost Accounting (CCA) proved a minefield for all parts of the profession and despite years of controversy, proposals and counter-proposals, no effective standardised accounting regime emerged, although some UK companies did and continue to produce current cost accounts (Robson, 1994).

The height of this uncertainty occurred in the late 1970s and early 1980s, and the proposals for reforming capital accounting were delayed pending some resolution. CIPFA felt obliged to show its commitment to CCA by recommending the adoption of current cost accounts for local authority trading activities (CIPFA, 1979). Enthusiasm for 'proper accounting' was again a strong force in the new Thatcher government in the personality of Michael Heseltine in charge of the DoE and a strong prevailing feeling throughout the

government that local authorities were overlarge and inefficient, and were contributing to the unnecessarily high interest rates the new monetarist outlook emphasised. The Department of Trade and Industry under Lord Young and others continued to signal the desirability of a unified UK accountancy profession.

One of the Thatcher government's earliest pieces of local government legislation, the Local Government Planning and Land Act 1980, introduced the obligation for local authority Direct Labour Organisations (DLOs- the parts of local authorities which existed to carry out approved local authority work such as refuse collection and highways maintenance) to expose themselves to competition with the private sector through the competitive tendering process. And here the issue of the value of local authority assets compared to their accounting treatment comes again into focus. The Act required DLOs to prepare their accounts (and hence their bids for contracts) on a current cost basis and to achieve a required rate of return on their assets valued at current cost (current cost here meaning current replacement cost - the highest basis for valuation and one which was not widely used by the private sector competitors for contracts). The general effect of this in accounting terms is to increase the prices which must be charged in order to maintain the current cost of assets whilst at the same time apparently depressing profitability because income is lower in relation to the highly valued asset base. This effect was one of the reasons it proved widely unpopular with companies at large.

But local authorities were encouraged to continue to find ways of extending the applicability of commercial accounting practices. CIPFA and the Accounting Standards Committee (ASC) jointly sponsored a study carried out by a prominent practitioner/academic (Jack Woodham) into current cost accounting in non-trading services of local authorities (1982). This report proposed the adoption of current cost depreciation for all local authority assets but this internal charge would be offset by a

provision to show the same **proportion** of the asset valuation being financed by debt as would be the case without CCA (since the value of outstanding debt falls in real terms due to inflation). However, these proposals and those of the 1975 paper also proposing full depreciation were rejected in a 1983 discussion paper because it was felt that the concept of depreciation entailed a conception of capital maintenance which was inappropriate for many local authority assets and more importantly **could not form the basis of a charge to ratepayers** (CIPFA, 1983).

Instead, a system of asset rents was proposed which could form the basis of a charge to operating departments for the use of assets but which would not be related to rates. In other words, the discipline of charging for use of assets would not affect the level of rates being charged - an important clarification of principle which had always been one of the key problems of reforming the accounting system, the separation of external reporting arrangements which would always need to show debt outstanding (yet was otherwise more or less incomprehensible to the non-accountant) from the fiscal pressure to make services like education do more with less. This proposal was followed by a 'Progress Statement' in 1984 which claimed there was recognition and support for the need to change but also that any new system should be "intelligible, relatively simple to operate and the benefits should outweigh the costs" (CIPFA, 1984).

A further academic input was made in 1985 when David Mayston gave a paper on capital asset accounting to the CIPFA conference and, at a time when attempts to measure cost more precisely in all parts of the public sector had high priority, reminded the conference that the question 'what is the cost?' might not necessarily have a single answer (Mayston, 1985). His paper illustrated the view that different requirements of accountability, efficiency etc. could imply different accounting and valuation treatments of fixed assets. He placed some emphasis on the means by which the effects of various historical factors

could be calculated, but these tended to rely on detailed knowledge of historical costs for each asset which were rarely available. Housing was a particularly problematic area since council houses formed the bulk of the assets of many smaller authorities yet estimating the value and debt attributable to each individual property would be a formidable task and unlikely to meet the criteria of intelligibility, simplicity and benefits exceeding cost. For these reasons (and later because of government proposals to alter the rules regarding cross-subsidisation of housing revenue accounts and the general rate fund), housing was excluded from many reform proposals yet its very exclusion negated the main point of the exercise.

The establishment of the Local Government Audit Commission for England and Wales in 1984 provided a further impetus to the reform of local authority accounting practices, bringing as it did a much wider involvement of private sector audit firms into local authority audit than existed under the previous 'approved auditor' system. Additionally, the Commission took seriously its role in promoting 'best accounting practice' in local governments and one of its major initiatives was the development of a Code of Practice for Local Authority Accounts (1987) which took the accounting profession's Statements of Standard Accounting Practice and reconsidered the extent of their applicability to local governments. This Code effectively became binding on local authorities since it redefined the meaning of the 'proper accounting practices' they were obliged to pursue.

One important part of accounting practice was left out of the 1987 Accounting Code: capital asset accounting was left on one side as 'too difficult' and would have significantly held up the introduction of the rest of it. But the minister's alleged response ("This is all very well, but what about capital?"¹⁰) drove home the significance the government attached to the issue. As before, the local authority accounting profession were left under the threat that if it failed to find an acceptable solution to the need to 'update' its

'antiquated' conventions, the Department would impose its own 'solution'. Whether it could ever have done this remains open to question; suffice it to say that not only was it a challenge to CIPFA's claim to be a self-regulating professional body, but many of its members believed that anything it could devise would be better than a scheme dreamt up and imposed by the civil servants. This possibility was repeatedly used later by the Institute's leadership as a means to deter sceptical opinion.

Whether real or imaginary, this threat, and the general embarrassment that the years of discussion had produced no workable proposals, led to a determined effort to resolve the issue once and for all. A high profile Capital Accounting Steering Group (CASG) was set up on 1 January 1988 under the chairmanship of John Parkes then Director of Finance of Humberside County Council and a CIPFA Council member. The local authority associations (i.e. non-accountants) were represented as it was essential that non finance Chief Officers and Councillors would not be automatically alienated from the Group's findings. The DoE, the Audit Commission, Scottish local authorities and academia also supplied members. Secretarial support (and guidance) was provided by CIPFA and Price Waterhouse provided technical support, e.g. in advising on commercial practice and in testing out some of the possibilities for change (Dale and Tandon, 1988, 1990).

The CASG spent a year deliberating and finally came forward with a set of proposals for consultation in February 1989 (CIPFA, 1989). These embodied many of the features previously favoured: a charge for assets in use was to be made in the service revenue accounts based on their current value (defined as net current replacement cost i.e. current replacement cost after accumulated depreciation) plus a charge to reflect the cost of capital (i.e. the opportunity cost of tying up capital in its current use). The balance sheet would show assets at depreciated current replacement cost or market value. Assets would be grouped into four main types:

council dwellings;
other land and buildings;
infrastructure;
vehicles, plant, furniture and equipment.

The presumed and putative benefits of this arrangement were that it brings the economic cost of holding assets to bear on the service manager using them and the same time allowed balance sheets to show 'proper' valuations without requiring additional funds from ratepayers (soon to be community charge payers).

The consultation period ended on 15 Jan 1990 - a lengthy gap, but in the meantime several authorities were to act as pilot sites for testing the practicability of the proposals, the biggest immediate problem being the drawing up of full asset registers. At the publication of the proposals (Feb 1989), the new system was envisaged as being implemented in the financial year 1991/2, i.e. beginning just after the close of the consultations.

The results of the consultations graphically illustrated the underlying tensions amongst the CIPFA membership and elsewhere. The perception of the leadership that the Institute needed to maintain its claim to be a 'proper' accounting body and retain its power of self-regulation in the face of governmental threats cut little ice with many of the membership who would have to implement the new proposals¹¹. The consultation document came at a difficult time (although it was also argued that there had never been an easy time to make such changes). Following many years of legislative and structural changes in local government, and continued fiscal pressures, the government's sweeping reform of local taxation -the community charge or poll tax - was about to be introduced. The main feature of the new tax was the transfer of the basis of assessment and charging of local tax from

property (as it had been since time immemorial) to individuals on the grounds that it was they who actually consumed so many of the services which modern local government provided. Apart from the political controversy which surrounded its introduction, the logistical and practical difficulties of identifying, assessing and billing a new and wider range of local taxpayers in the timescale prescribed by government fell heavily on CIPFA members. The problems inherent in adopting the proposed new system of capital financing were widely seen as unnecessary in themselves and impractical to implement.

This type of response drew attention to one of the ambiguities in the situation. The stated intent of the CASG was to produce proposals which separated the capital cost of services from their financing, showed the full current costs of services and recorded the current value of fixed assets. This rather glossed over the important distinction between the external reporting requirements of local authorities (which the Code of Practice on Local Authority Accounting was concerned with and which as we have seen, had excluded capital accounting) and the different issue of how efficiently authorities used the assets under their control. The DoE and the rest of the accounting profession, although interested in both, were primarily concerned with external reporting, mainly on the grounds that, in the DoE's case it was still the formal accounts that provided the main basis for financial control of local authority expenditure and debt. In the case of the accounting profession, the primacy of financial reporting arose from its assumption that internal efficiency depended on 'proper' accounting, meaning to them accountability to shareholders and stock markets.

CIPFA members, however, showed great scepticism about many of these assumptions. Something like 80% of responses (including corporate bodies and non-accountant organisations) contained criticisms of the proposals¹². In general, they were unimpressed by suggestions that meeting DoE requirements was the same thing as improved

accountability to rate and chargepayers. Many felt the public were already well served by the financial information available to them. An alternative heresy put forward was that nobody bothered to look at local authority accounts anyway and that balance sheets etc. simply did not have the same significance in the public sector as in the private since it was not part of the role of local authorities and other public bodies to aim primarily at increasing their net worth. Thus the internal disciplines were actually more important and many of the presumed benefits of this could be achieved by exhortation and comparative studies (as performed, for example, by the Audit Commission) rather than by a full blown accounting system which might come to be regarded as just another accountants' wheeze unrelated to the 'real' concerns of managers. A surprising large volume of opinion (to the Institute's leadership) seemed to regard many aspects of accounting as less important than delivering services (although whether this was the real choice is difficult to estimate). And some members implied that CIPFA should be finding better things to do than impose extra burdens on its members at the behest of the government and the other accounting bodies.

This kind of response threatened the credibility of the leadership and the full weight of its authority was brought into play. The 'why change?' kind of criticism was met with emphatic statements about how the imperfections of the current system had long been recognised and no longer proved adequate in the new competitive and constrained environment local authorities were now in. The 'why now?' kind of response was met with emphasising the threat to self-regulation, supported by the evidence that during the consultation period the government had apparently considered the CASG report and imposed a similar system of capital charges in the NHS from the 1990/91 financial year (Kemp, 1990; Mellett, 1992). It was easier to do this in the NHS since most of its accounting still used the cash basis and there were no loan accounts. But the implementation problems were simply brushed aside, and a charge to services was

introduced based on depreciation on all assets valued at over £1000 (an absurdly low figure - later raised to £5000 - which spoke volumes for the outlook of the civil servants who devised it) and a charge to equate to a cost of capital. After years of deliberation by CIPFA, this single step by the Department of Health greatly added to the urgency of finding an acceptable solution for local government, and incidentally undermined many of the objections that the valuation task in local government would take an impossibly long time to get right.

Also at this time relations with the rest of the accounting bodies were further sensitised by the failure of another major merger attempt in 1990. This time, with the shrinkage of its public sector base and a worsening of its financial situation (though with a small but definite growth in active members) the long term future of the Institute became less secure and prompted a rash of strategic and marketing initiatives designed to support an indefinite independent existence but still within the main professional regulatory bodies.

So the suggestion that the published accounts of local authorities were comparatively unimportant brought the most scathing response, expressed more moderately much later when the final revised proposals were adopted:

" The institute as a professional accountancy body is committed to upholding professional accounting standards. The institute cannot be seen to endorse a system which results in a completely meaningless financial statement, when that statement, the balance sheet, ought to be of major significance - as it is elsewhere in the economy. So there is no justification for the argument that no change should be made."

(Hepworth, *Public Finance and Accountancy*, 19/2/93 page 2).

But other objections proved more difficult to brush off. In particular, the costs of implementing the new system and the proposed timescale were seen as at best unnecessarily high and short.¹³ Complaints about the asset registers prompted the response that authorities would need to know what they owned anyway, either for competitive tendering purposes or simple for good housekeeping. As such, the costs could not be regarded as wholly additional. The Royal Institution of Chartered Surveyors (RICS), which had been involved in the proposals, offered advice on how to simplify and accelerate the valuation process, including the use of information then available as a result of the revaluing of businesses that took place at the time of the community charge introduction¹⁴.

One line of criticism was that market valuations rather than current replacement cost could be the only basis for a 'real' economic cost, but the non-marketability of many local authority assets (e.g. roads and schools) made this difficult, although research was done at some of the pilot authorities to see how far this idea could be taken. The pilot studies, however, also threw up problems of their own. The involvement of other professional groups in endorsing and implementing the proposals was more difficult at grass roots level than the attitude of the national bodies seemed to imply. Cost in particular was an issue, and later in the implementation phase some Councils let it be known that their finance department would be expected to shoulder the additional financial burden. But problems associated with the assets themselves were unearthed. For instance, valuing roads proved even more difficult than had been envisaged, since it turned out that for the purposes of depreciation a road had many different components which wore out at different rates. For example, the wearing surface had a short life compared to the substructure. Was each of these components to be valued and depreciated separately?

All these reactions caused severe difficulties to the CASG and the Institute. Reaction was

so unfavourable that despite producing a 'final report' in September 1990, the CASG recognised the difficulties and deferred the implementation of its proposals whilst yet more studies were carried out under yet another working group, whose remit was to find ways in which the new system could be implemented relatively simply and at minimum cost to local authorities. This time the pilot authorities were Solihull MDC, St Edmundsbury DC and the London Borough of Croydon, and this time the DoE were persuaded to finance the studies. Another 'interim' report was produced (on 8 May 1992) with the significant amendment to the earlier proposals that, subject to certain caveats relating to an authority's policy to maintain the economic life of a building by making adequate provision for repairs and maintenance and to depreciate if this were not the case, operational buildings and other properties should not be depreciated but included at current value (as previously defined).

This change was proposed "primarily as a pragmatic response to the practical concerns expressed by commentators on the [CASG's] Final Report".¹⁵ The other main problem, council houses, were also to be valued on this basis, rather than on their value to their tenants under the 'right to buy' legislation (which was substantially lower). Finally, valuations were to be simplified by using a 'beacon' system where only one of a type in a neighbourhood would be valued. Infrastructure and so-called 'community assets' (parks, historic buildings etc.) valuations would be based on historical cost and so would not need current valuations. The RICS was an important source of legitimation for these steps. The interim report also reported that a survey had been carried out to see whether the new system was thought to be workable and in particular that it would be consistent with or unaffected by proposed changes by the DoE to the system of capital expenditure controls.

The interim report for the first time proposed implementation of the revised proposals for

1994/5 accounts, i.e. four years after the initial expectation of the CASG in 1988. Even then, the required approval by CIPFA Council was not entirely smooth with one Council member voting against and two acknowledging "that consensus on capital accounting was unachievable".¹⁶ A strong statement stressing 'professionalism' and 'proper standards' was made by the CIPFA Director ¹⁷ to the membership following the adoption of the proposals on 29 January 1993 and an Institute Statement was issued.¹⁸ This stressed the "limited room for manoeuvre", the "full exploration of the options", the necessity of "a degree of compromise and pragmatism", the need to recognise developments in other parts of the public sector and finally that "the proposals represent the best balance between action, pragmatism and principles".

Further consultations were carried out, but the battle was essentially won (or lost, depending on your viewpoint). One Treasurer wrote in *Public Finance and Accountancy*: "the mood of practitioners I meet is one of mild acceptance, certainly not wild enthusiasm ... there is general acquiescence ".¹⁹ Many authorities were slow to get their asset registers set up and help was at hand from a wide array of valuers, software suppliers, private accounting firms and management consultants who were all able to benefit²⁰.

It remains to be seen whether the benefits in terms of accountability and better use of assets is actually realised (and how this is assessed), but it is clear that the main objective pursued by the Institute's leadership of being able to show (for whatever reason) a new capital accounting system for local authorities had at long last been achieved. This effort can be seen as part of the IPFA's long struggle to shake off its historical antecedents in the professional snobbism of the nineteenth century (see Chapter 3). To date (1997), no detailed evaluation of the effect of the capital accounting changes on managerial behaviour or decision-making has been published. The whole story is far from the 'problem-solving' functional approach presumed to have been the basis for historical accounting changes

(Chapter 2.) and suggests that 'accounting' for accounting change is a complex task, with many different versions potentially available, all or few of which may be valid.

NOTES

¹ Although accruals for debtors and creditors were included in many local authority accounts beginning in Manchester in 1850, and in balance sheets from 1852 in Birmingham (Coombs and Edwards, 1995:95), capital assets were mostly financed by borrowing and authorities were required to repay the principal element of loans from revenue. It was argued that these repayments of debt were effectively the same as a depreciation charge so long as the asset lives roughly corresponded to the loan periods. Any additional provisions would necessitate additional rates or reductions of expenditure on services. Commercial accountants were frequently criticised for failing to grasp these points. The first use of depreciation in local authority accounts was by the Manchester Gas Committee in the 1880s (Coombs and Edwards, 1992).

² The new services of tramways and electricity generation led to concerns that technological obsolescence was a significant problem for 60 year loan periods, as there was a strong possibility that the assets would be worthless long before the loan was repaid. Hence, arguments for a 12 year loan period for electricity were made (Coombs and Edwards, 1992: 187). The effect of this would have been a massive increase in charges to contemporary users or subsidies from the rates. Neither of these would have been attractive to the local authorities, not least because electricity undertakings were widely regarded as supplementary resources for topping up the rates.

³ See, for example, the series of articles entitled 'The Form of Municipal Accounts' in *The Accountant*, 1897 and Jones (1985b).

⁴ These kinds of accusations were common, for example, in *The Accountant* (see Coombs and Edwards, 1991).

⁵ For example, in a series of leading articles in *The Accountant* in 1884 and 1897 (the former reproduced in Coombs and Edwards, 1991) as well as the subsequent parliamentary enquiries such as the Joint Select Committee on Municipal Trading (1900, 1903) and the Departmental Committee on the Accounts of Local Authorities (1907). On municipal trading, see *The Incorporated Accountants's Journal*, August 1903 and Dawson, SS (Professor of Accounting at the University of Birmingham and a Fellow of the Institute of Chartered Accountants), *Municipal Trading from the Financial Standpoint*, IMTA Conference 24 June 1910.

⁶ See, for example, the Special Supplement to the *Financial Circular*, 1904 - Six Short Papers on 'Municipal Audit', London Students' Society, IMTA.

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- ⁷ See Local Government Finance, Vol. LI no 2, February, 1947.
- ⁸ For example, Rees (1971).
- ⁹ Inter-authority comparisons became one of the major interests of the IMTA throughout the twentieth century (cf. Coombs and Edwards, 1993, 1995; Sowerby, 1985).
- ¹⁰ Anecdotal, but with widespread currency within CIPFA.. Nicholas Ridley was Secretary of State for the Environment at the time.
- ¹¹ See e.g. *Public Finance and Accountancy*, 10 November 1989.
- ¹² Peter Vass, Capital Accounting: Dispelling the Myths, *Public Finance and Accountancy*, 4 May 1990 pp. 11-12.
- ¹³ For example, Day, T, Crunch Time for Capital Accounting, *Public Finance and Accountancy*, 9 July 1993 pp. 13-14.
- ¹⁴ Improving Asset Management, *Public Finance and Accountancy*, 9 July 1993.
- ¹⁵ *Public Finance and Accountancy*, 8/5/92 page 10.
- ¹⁶ *Public Finance and Accountancy*, 2 February 1993 p. 17. The opposing view was most clearly expressed by Pipe, J, Capital Accounting: the Counter View, *Public Finance and Accountancy*, 19 February 1993 pp. 20 - 21.
- ¹⁷ *Public Finance and Accountancy*, 19 February 1993 p. 2.
- ¹⁸ *Public Finance and Accountancy*, 19 February 1993, pp. 14 -18.
- ¹⁹ *Public Finance and Accountancy*, 9 July 1993 p. 13.
- ²⁰ See, for example, *Public Finance and Accountancy*, 23 September 1994 pp. 21-22.

Chapter 5: Rethinking Local Government Accounting.

This Chapter considers the criticisms of current accounting practices and discusses what alternatives may be available.

Local Government Accounting and the 'New' Public Sector - Critics and Alternatives

The discussions surrounding the introduction of full accruals accounting for local and municipal authorities (Chapter 4 above) focussed attention on the asset recognition, valuation and financing problems peculiar to some types of collective, state-owned assets. Problematic examples which were extensively discussed in the accounting profession's deliberations on these matters were infrastructure assets (roads, railways, sea defences etc.) and community or heritage assets such as cultural collections, historic palaces and public open spaces as well as more conventional assets such as Town and Civic halls, libraries, schools and hospitals. Some of these so-called assets have no apparent alternative uses and represent a continuing maintenance liability. Various valuation bases have been proposed including market value, replacement or historical cost or modifications thereof, the traditional outstanding debt basis (in the UK) or a purely nominal valuation. The question of which generation should reap the benefits or incur the costs of these assets has also been significant. The assumptions underlying these discussions and proposals are based on marginalist economics and the rational decision-process model of managerial behaviour, i.e. that allocation of 'true costs' for asset use down to individual budget holders will affect managerial decisions in favour of more 'efficient' use of assets not just for the organization but for the economy as a whole (Perrin, 1984; Pallot, 1990, 1992; Spence, 1996b; Jones, 1996a; Tinker et al., 1982; Puxty, 1993).

Throughout these discussions there have been strong supporters of the need for changes

to often long-standing local government accounting practices, even if there has been disagreement about exactly how to change them. In the UK at least, the issue has been seen as an implied challenge issued by the State to the self-regulating status of the accountancy profession, especially those practising in the local authorities. But, partly as a result of this pressure, there has also been resistance, mainly from within the accountancy profession itself - usually concerning the cost/benefit of implementing specific changes, especially to the accountants themselves (e.g. Jones, 1996a: 193-6). Other criticisms have been mounted by other groups of professionals, who saw the introduction of 'management by accounting' as a threat to their own discretion (e.g. Harrison, 1988; McSweeney, 1988). Consumer groups continue to complain that local government accounting information remains indecipherable to the layperson (cf. NCC, 1986) and the number of local taxpayers exercising their rights of public inspection of accounts is derisory (Audit Commission Annual Reports). The introduction of changes into particular settings such as schools and healthcare produced further resistance (e.g. Laughlin et al., 1994). The 'balkanization' of public services into a range of different entities, agencies, structures and distribution mechanisms has complicated the problem of consolidation (Scheid, 1996) and made it more difficult in some cases to track public expenditure to its final application, making new audit arrangements necessary (HM Government, 1996).

But a more radical critique has come from critical accounting researchers who from various perspectives draw attention to the normative biases, unintended consequences or inescapable power effects an increased role for accounting brings (cf. Puxty, 1993). Although the public sector has attracted rather less attention than other areas of accounting, the consequences of more accounting in this area has been criticised on the grounds that accounting debates have ignored the contemporaneous 'disappearance' of public services (Humphrey and Olson, 1994), significantly narrowed notions of 'good management' (McSweeney, 1988, 1994), introduced more restrictive rationalities

(Laughlin, 1992) and necessitated a new principle of social organization based on audit (Power, 1994, 1997b). In the UK at least, the extent to which the 'new' public sector has in fact delivered the accountability and efficiency claimed for it is debatable in the absence of credible evaluation processes (Cutler and Waine, 1994; Laughlin and Broadbent, 1994).

But these more radical commentaries and critiques of the role of accounting in the 'new' public sector mostly suffer from a familiar difficulty faced by the 'radical developments' in accounting: a general failure to suggest alternative accounting frameworks (Gray, 1992). Partly this can be seen as a function of the aims of researchers to understand or explain as providing ways of mitigating the adverse effects of accounting, rather than the alternative of involving themselves in the inevitably normative process of substituting their own prejudices for those of the accounting profession. Some critical approaches seem uncertain as to whether any kind of accounting can ever be said to have 'good' consequences, however these are defined. Accounting as a calculative technology always creates and reflects new dispositions of power. On this view, it seems doubtful that a rationale justifying new forms of accounting can be constructed, although this does not necessarily rule out iconoclastic 'interventions'. It also seems inevitable that approaches that stress the interrelatedness of accounting and society or societal forces might require fundamental societal or ideological changes before meaningful changes in (or obsolescence of) current accounting practices could be realised. The 'radical critique' (Puxty, 1993: ch. 4.) or the 'political economy of accounting practices' (Miller, 1994) has generated some proposals for what a radical alternative accounting might look like (e.g. Tinker, 1985), but both critics and sympathisers noted the difficulties involved (Johnson, 1986; Laughlin and Puxty, 1986).

So to consider more fully worked up examples of non-traditional accounting approaches

we have to look to what more pragmatic commentators have proposed for incremental changes in accounting practices and disclosure. These range from modest attempts originating largely in the 1970s for additional 'social responsibility' disclosures (ASSC, 1975) through to current interest in green accounting and accounting for sustainability (Gray, 1992; Gray et al., 1993 etc.- it should be noted that Gray also makes claims to radicalism in his 'deep green' vision for accounting). On a slightly different continuum there are those which draw directly on more traditional economically-oriented approaches like Total Impact Accounting, including social audit, and, in the public sector, what Matthews calls Socio-Economic Accounting and Social Indicators Accounting (Matthews, 1993). Most recently, a different body of researchers has suggested that trust and social capital should represent the foundations of social welfare programmes (Putnam, 1993; Fukuyama, 1995; Leadbeater, 1997).

For all kinds of reasons, the social capital 'movement' has succeeded in bringing together a wide range of both left- and right- wing community activists and reformers in a broad alliance which is in various ways mistrustful of the experts and state-sponsored activity which characterises 'the state of welfare' (Rose, 1996). It is the latter nexus which has been largely responsible for the greater intrusion of accounting and technologies of government into community life. So although accounting itself is providing one of the technologies allowing the degovernmentalisation of the state in its neo-liberal phase, it brings us back to the question of whether and how accounting as a technology can be appropriated for other purposes than its current role of increasing governmentality (Miller and Rose, 1990). I acknowledge the views of many critical accounting researchers that changes in society may need to precede any change in the function of accounting, or that the power of calculation and the dynamics of discourse and governmentality necessarily preclude any naive hope of a more 'emancipatory' type of accounting. On the other hand,

just at this historical juncture it appears that a wide range of previously opposed interests may be more convergent over such issues as the perceived threats to civil society and how these might be addressed, though such agendas are generally indisputably 'liberal' in their anti-statist outlooks, even when adopted by, for example, the British Labour Party. So there seems to me to be some reason to elaborate these ideas in the context of accounting and see where this might lead. What I want to do is to set aside concerns about the impossibility of 'emancipatory' accounting, suspend disbelief and consider some of the ways in which these ideas could impact on local government accounting, perhaps as a way of ameliorating the apparently inexorable march of calculative technologies and 'management by accounting' in public services.

In this review, I intend to highlight only those approaches which have direct relevance to local government accounting. Much social responsibility accounting is concerned with externalities and external stakeholders, including governmental authorities, local communities and what might be called the public interest. But most of the discussion remains focussed on the accounting practices of individual firms and how these might respond to a broader conceptualization of the impact of a firm's activities and social responsibilities than those based on the traditional economic concepts emphasizing ownership and markets.

Attempts to propose new quantitative and qualitative representations for governmental actions and responsibilities have been rather scarce beyond the now familiar territory of the accounting and accountability changes embodied in the 'new public management'. Apart from accruals accounting and the non-accounting changes of competitive tendering and contracting, in the UK these have largely consisted of a proliferation of the number of entities required to prepare accounts, a requirement to publish a wide range of

performance indicators and increased powers of auditors, including value-for-money auditing. Critics of each of these changes insist that more accountings do not necessarily lead to better accounting or accountability, that the mandatory publication of performance indicators continue to privilege inputs and efficiency rather than effectiveness measures, narrow perceptions of services and exclude client evaluations, and that VFM audit in general reinforces these tendencies (Day and Klein, 1987; Humphrey and Olson, 1994; Cutler and Waine, 1994; Sherer, 1984; Grimwood and Tomkins, 1986; McSweeney, 1988; McSweeney and Sherer, 1991; Perks, 1993:124-134).

Many of the drawbacks of currently popular organizational accountings and public sector performance indicators put forward to partially compensate for the accounting deficiencies perceived even by 'mainstream' writers¹ (which are equally suspect so far as 'critical' accounting researchers are concerned) are shared by their macro-social counterparts. Although conceptual models of social indicators have been available for a long time (e.g. Terleckyj, 1970; cf. Parke and Peterson, 1981); problems of definition, measurement, acceptability, timeframe and the ability of agencies to influence the measures remain problematic, especially in the fields of welfare and deprivation (Edwards, 1975; Holterman, 1978; Fox et al., 1990; Simpson, 1995). Quality of life measures have been used in social indicators, such as a sense of identity, good quality housing, strong community networks and good air quality, which all score highly. These kinds of measures have been used, for example, in Oregon to benchmark government performance, along with targets for educational attainment, access to healthcare, crime and teenage pregnancies (Bentley and Stanley, 1995; Miles, 1985; Henderson, 1996; Oswald, 1996). In healthcare, Quality-Adjusted Life Years (QALYs), incorporating patient preferences, have been proposed as a way of evaluating health programmes and treatments (e.g. Drummond, 1988; Robinson, 1996).

On the macro level, other forms of accounting such as national income accounts have similar conceptual drawbacks, but suffer in addition greater problems of defining and estimating income flows (Anderson, 1991). The latter are also in many respects less informative than organizational accounts, since they lack balance sheets to disclose the stock of wealth the income flows have created. The World Bank and initiatives like the Country Futures Indicators are currently trying to rectify this (*The Economist*, 23/9/95; Henderson, 1996).

Social Audit

The major contributor to the possible reconceptualising of local authority accounting has been the social audit movement. In the UK, this collective phrase is generally taken to mean mainly the activities of the organization Social Audit Ltd (formed in the UK in 1971), the more radical organization Counter-Information Services (CIS) (which also operated in the 1970s), certain local and central governmental studies, and some of the activities of organizations like the Consumer's Association and the Green Party (Gray, Owen and Maunders, 1987; Geddes, 1988, 1992). In the US, the Council for Economic Priorities (CEP), one of the antecedents for Social Audit Ltd., has produced over 100 reports on environmental and political issues (Gray et al., 1993:266). Both Social Audit Ltd. and CEP have published numerous guides to conducting social audits, giving data sources, methodologies and tactical advice. These activities are reviewed from the broadest perspective first, becoming more directly local government-related later. Social audit activities all shared the general aim of examining the wider impact of firms on their surroundings than conventional financial accounting, with a view to improving their accountability to the public or the workforce. The range of topics examined and methodologies was wide, but, for example, the 90 page report on the Social Audit of the

Avon Rubber Company (1976) contains assessments of the company's business, its employment policies and record, its products (tyres) and its environmental impact - air, water and noise pollution, waste disposal, energy use and community involvement (Gray, Owen and Maunders, 1987:136-141). Using similar approaches, Social Audit issued reports on Tube Investments, Cable and Wireless, Coalite and Chemical and some more general reports on armaments and industry, the social costs of advertising, company law reform and the Alkali Inspectorate. CIS issued its more labour-oriented 'Anti-reports' on, for example, Rio Tinto Zinc, Courtaulds, Consolidated Goldfields, Ford, GEC, British Leyland, Unilever and Lucas, as well as more general topics such as South Africa, nuclear technology, the Queen's jubilee and women in society (Gray et al.,1993:264-5).

Critique of Social Audit focussed on the lack of consistency in topics, methodologies and reporting, but its reports and techniques remains " the most thorough and important example of CSR [Corporate Social Reporting] in the UK" (Gray, Owen and Maunders, 1987:144-5). More recently, the concerns raised by these organizations have transmuted into 'right to know' and environmental campaigns, ethical investment and the green consumer movement, which have themselves generated critique (Gray et al.,1993: 266-275). The definition of the term 'audit' has also been both broad and restrictive from, for example, "the gathering *and publication* of information about one organization by a body independent of that organization" to "any collecting and collating of information for use in a campaigning context" (Gray et al.,1993:262; Geddes,1992). Also, the audit *process* implies a one-off intensive snapshot rather than a continuous and sustainable monitoring of corporate affairs. And even social auditing can come to be seen as a substitute for accountability and foster an illusion of external control based on expertise (Power, 1994. 1997a; 1997b).

But one of the key conceptual limitations of social auditing which has particular relevance for local government is the definition of the accounting entity. Mostly, as we have seen, social audits have been concerned with broadening the range of ways in which a company's activities are evaluated and publicising the results. Attention is directed at firms' internal policies or external impact in ways which are of relevance to a range of stakeholders beyond the traditional audience of shareholders, creditors and stock markets.

But even if the community is included as a stakeholder and the geographic location of a firm regarded as its environment, the focus remains on the company as the key agency and accounting entity. This is problematic if we adopt a perspective that does not see individual company behaviour as purely a product of that company or industry, but as part of a wider set of interrelationships or outlooks in which the entity and behaviour of companies may be a consequence of rather than the source of social actions. Thus, the categorization of what is 'external' is problematized (cf. Tinker, 1985). For example, if accounting were to be regarded as a way of representing how private interests appropriate community wealth, we would begin with some kind of inventory of community wealth and try to track what use was made of these resources by companies and what the community receives in return.

This is the kind of approach envisaged in accounting for sustainability (Gray, 1993: 280-300). Gray has proposed three categories of capital available to humanity: critical natural capital (the essential natural elements for life), other sustainable, substitutable or renewable capital (such as renewable energy) and artificial or man-made capital, such as machines, roads, products, wastes, intellectual capital etc. (Gray, 1990). Three possible approaches are suggested for sustainable accounting: the inventory approach, the sustainable cost approach and the resource flow/input-output approach. But apart from

the difficulties of operationalizing any of these methods and the paucity of experience in trying to do so, Gray considers them from the perspective of the organization, i.e. proposes no changes to the accounting entity, even though in his analysis 'the biosphere' seems a possible candidate. I will not pursue the reasons for this, but merely note that the organizational perspective continues to have priority even when dealing with the broadest of resource categories.

What if one wanted to change the focus on to a different entity? It is certainly at least arguable that local authorities' main concern is their local community, defined primarily by their spatial boundaries (I will comment on this later). What examples are there of accounting for communities rather than organizations? (I leave aside the objection that accounting can only take place for organizations and that using any other type of entity cannot be called accounting, since many of the proposals for social accounting violate current accounting principles and standards in a similar way.)

Apart from the social indicators approach mentioned earlier, probably the nearest we have yet come to such an approach are the social audits carried out by local authorities themselves, mainly to assess the impact of plant closures on the local economy (Owen and Harte, 1984; Harte and Owen, 1987; Geddes, 1988). These activities included such elements as the social costs to individuals and their families in terms of health and social services, the net costs to Government in terms of lost taxes and increased social and unemployment benefits (including policing), the effects on remaining businesses, and accountability issues (to the workforce, the community and also noting the role of pension fund managers) (Gray, Owen and Maunders, 1987:149). A particular illustration of the problems involved were provided by attempts to assess the costs and benefits from coal mine closures (e.g. Berry et al., 1985; Cooper et al., 1985). These efforts were superseded

in the late 1980s by growing demands for local authorities to carry out environmental audits instead, although recently social audits have again been carried out on companies such as Traidcraft, The Body Shop, Shared Earth and Happy Computers under the aegis of the New Economics Foundation (Zadek, 1994). Conclusions about the influence of all these activities probably remain pessimistic, with current demands for employment apparently taking precedence over environmental concerns (Gray, 1993: 268-9).

This brief review of the criticisms and alternatives to current local authority accounting practices seems to indicate that so far, little has emerged to challenge the apparently inexorable growth of 'management by accounting' and economic rationalism in public services (noting the focus on UK material in this study). I do not propose here to elaborate on the reasons for this, nor to discuss the theoretical constraints on why such a project might be unattainable or simply misguided. The remainder of this Chapter discusses another type of asset which has quite recently come to assume prominence in debates about what constitutes good government and how it might be achieved, to consider what role, if any, accounting might take in this and what kind of accounting would be needed. The treatment of this theme is speculative and necessarily tentative.

Social Capital

With its antecedents clearly traceable to the early sociologists, especially Weber, Durkheim, Tonnies and de Tocqueville, and to long-standing and closely related communitarian thinking (Etzioni, 1995), the recent interest in social capital on both sides of the Atlantic can be associated with Putnam's study of regional government in Italy (Putnam, 1993). Briefly, Putnam and his associates observed and evaluated the effects of a new regional government structure introduced throughout Italy in 1970. This structure

was implanted into very different social contexts, with some regions having a dense network of local associations, active engagement in community affairs and high levels of trust and law-abidingness (the 'civic' regions), whereas others were characterized by vertical, not horizontal, political and social participation, mutual suspicion, corruption, low levels of civic association, lawlessness and a sense of powerlessness.

These social contexts were found to be influential in the success or otherwise of the new regional institutions, as ranked by 'objective' measures of effectiveness and subjective measures of citizen satisfaction:

" Virtually without exception, the more civic the context, the better the government. In the late twentieth century, as in the early twelfth century [in Norman Italy], collective institutions work better in the civic community. By the 1980s, the North [of Italy] has also attained great advantages in physical and human capital, but those advantages are accentuated and in part explained by its long-standing edge in social capital."

(Putnam, 1993: 182).

This conclusion springs from an analysis beginning with Weber which refers to social capital as "features of social organization, such as trust, norms and networks, that can improve the efficiency of society by facilitating co-ordinated actions" (ibid.: 167). Citing rotating credit organizations as a worldwide example of the facilitative power of social capital, Putnam refers to other examples of mutual aid and co-operative behaviour and notes some interesting characteristics of social capital which differentiates it from private capital: that it is a resource whose supply increases through use, and that it is ordinarily a public good which is undersupplied by private agents (because they discount the benefits to other parties of their being trustworthy). Trust is thus an essential ingredient of social capital (Fukuyama, 1995). This leads to the 'virtuous circle' properties of social capital, compared to the 'vicious circle' of demoralised and alienated societies (Putnam, 1993:170).

Social trust arises from two sources: norms of reciprocity and networks of civic engagement. Generalized reciprocity occurs in continuing exchange relationships where individual acts may not be reciprocated but there is an expectation that a benefit given will be repaid sometime in the future. This is an important ingredient of social capital. Networks of civic engagement represent intense horizontal interaction which both sustain co-operation within each group but also cut across social cleavages. Examples include neighbourhood associations, choral societies, co-operatives, sports clubs and mass-based political parties. In modern societies, these relationships are more important for sustaining social cohesion than kinship (Granovetter, 1973). These networks are also an essential form of social capital, since the denser they are, the more likely it is that citizens will be able to cooperate for mutual benefit and thus foster institutional success in the broader community. Higher levels of membership of horizontal organizations should therefore be positively associated with good government, whereas participation in vertically ordered organizations (like the Mafia or the institutional Catholic Church) will be negatively associated with it (Putnam, 1993: 165-175).

Putnam applied his findings to the United States and detected a decline in participation in long-standing community organizations such as Parent - Teacher Associations, the Boy Scouts, local chapters of the Red Cross and the League of Women Voters, Trades Union branches, church groups and so on which similarly accompanied a decline in satisfaction with government and more distrust of fellow citizens (Putnam, 1995). This message was quickly picked up in the Clinton White House. So various programmes were begun and are proposed that encourage cross-community participation in various self-generated projects with the general aim of increasing social capital as a means of improving government (Gore, 1993). Some early successes were claimed, mostly in inner city areas such as those of Washington and New York. These claims, other earlier influences and the

widespread loss of confidence in the economic sustainability of modern welfare states have led to a proliferation of such programmes in European countries such as the UK, Germany, Belgium, Denmark, The Netherlands, Spain and Hungary (Wann, 1995; Whitehead and Smythe, 1996; Leadbeater, 1997). A particularly interesting development has been the growth of non-cash LETS (Local Employment and Trading System) schemes, whereby skills are bartered and traded, ostensibly immune from problems occurring in the 'mainstream' economy. These schemes, though they develop their own 'market' prices and with interpersonal accounts being kept, nevertheless encourage friendships and trust and are self-regulating (Dauncey, 1988).

The idea of a social capital 'programme' is not itself unproblematic, even in its own terms: America has a wider range of voluntary organizations than ever before but not, apparently, a more vibrant civic culture. Some communities, though, such as in Los Angeles, seem to be building grass roots organizations beyond the reach of social administrators (*The Economist*, 18/2/95). Some of the difficulties have been attributed to failures by state and federal agencies in providing resources and support, co-ordinating their efforts and managing expectations and responsiveness. Attention is therefore now focussing on exactly what the role of the state agencies trying to invest in and facilitate social capital formation should be, what kinds of groups and activities it should seek to encourage and how (Smith, 1995). Putnam himself stresses the deep historical embeddedness of civic community and the slowness with which it is created (contrasted with the speed with which it can be destroyed). Yet the social learning which the Italian reforms engendered is, he argues, essential to making democracy work (Putnam, 1993: 183-4).

The theoretical orientation of these current ideas about social capital can be located firmly in rational choice economics and game theory (see Coleman, 1990). The conclusions of

these theories - simplistically, that both individuals and collectivities gain when they co-operate, and that it is rational for an individual to do this - are concerned with how to maximise social benefit whilst remaining compatible with pressures or tendencies towards selfish, individualistic behaviour (which, of course, liberal modes of government do so much to promote).

But I do not intend here to explore the liberal roots and intentions of these ideas or to comment further on why they have been taken up with such enthusiasm. Suffice it to note that there is much to analyse in a discourse which recategorises urban decay and deprivation as a decline in 'civic virtue', and sees meaningful action as only being possible beyond the limits of state-sponsored programmes. To that extent it accords well with the analysis of liberal government used in this study inasmuch as it continues the 'degovernmentalization of the state' and increases the responsabilisation of individuals and communities for their own well-being through a new kind of 'expertise'.

Accounting for Social Capital

The possible involvement of social capital in new forms of accounting has not gone entirely unnoticed, but the complexities of green accounting themselves have led researchers to leave it out ². Some attempts are being made at international level to include social capital in national income accounts, especially in developing countries (World Bank, 1995; Henderson, 1996), but the difficulties of this seem considerable, not least in overcoming opposition to moving from a purely material basis for calculating national wealth (e.g. *The Economist*, 23/9/95). These kinds of objection undoubtedly also arise in accounting, but I do not propose to deal with them here (see Gray, 1992). One notable set of studies which attempted to break out of these traditional limitations were the research carried out by Allardt and his colleagues (1973), who developed a

system of social indicators based on measures of 'having, loving and being' (Miles, 1985:159).

But in the context of local communities, we have to look to some of the methodologies used by Putnam and to the successors of the social audit movement for the basis of a new form of social accounting. Before we can do this, let us first consider again the issue of the accounting entity and defend the spatial, geographic community as the basis of a workable accounting entity.

We initially need to consider the continuing role of local governments based on spatial divisions of nation states. Although arriving at satisfactory definitions of 'community' is difficult (e.g. Fowler, 1995), most democracies have divided their national authority at least partially into local jurisdictions which have some kind of formal accountability based on spatial division. In most of these cases, though to varying degrees, accounting is an existing way of representing the activities of the local government organizations which preside over these areas. It constitutes them as centres of calculation, which itself produces power (Latour, 1987). These centres may not correspond entirely to 'natural' communities, and we have argued throughout this study that calculative practices embody a mode of representation with its own dynamic and consequences. But centres of calculation which 'make visible' meaningful communities which are otherwise hidden have a legitimacy which is missing entirely from corporate accounting entities which may divide the world and their activities up in almost any way they choose (subject to local and international accounting standards). The most frequent objection to any appeals towards strengthening geographic communities is that these entities are no longer relevant in the face of electronic communications and modern high levels of mobility. These doubts should be resisted.

Firstly, the commentators who debunk the relevance of where one lives to the construction of social identity are themselves the most mobile sections of society through choice (as against the economic necessity of migrant workers), and entirely overlook that, foreign holidays notwithstanding, geographic mobility remains largely associated with wealth, if not class. Middle-class commentators should not assume that the poorer sections of society enjoy their own globe-trotting opportunities. Even the much vaunted mobility of labour in OECD countries, leading to workers moving their homes every few years, shows signs of reducing as people appreciate the benefits of 'putting down roots'.³ Community attachment is based on a sense of the 'local' -wherever that might happen to be (Gosschalk and Hatter, 1996; Stewart, 1993).

Secondly, despite the electronic revolution, most of the social resources consumed by a family (health, education, social services, police) are still consumed in the localities where people live, even though central governments taxation regimes may not enable a direct link between taxation and local expenditure to be seen. Indeed, it can be argued that it is the opacity of such linkages that contribute to pressures for tax reductions and leads to a politicisation of service consumption (Castells, 1977)⁴. Local governments in the UK continually rate higher in citizen satisfaction than central government institutions (Mulgan and Perri 6, 1996; Atkinson, 1995).

So if we accept the continuing significance of locality for social identity, can localities be represented using any other accounting entity than the local government organization itself? Accounting entities can exist in a wide range of types (legal entity, economic entity, fund entity, administrative entity etc.) including a category of 'pivotal' entity which is defined in terms of user need:

"[a pivotal entity is] any unit or activity which controls the utilisation of scarce

resources in order to generate economic benefits or service potentials"

(Bull, nd).

The operational criteria for such an entity include electoral process, political salience, size, economic power or influence, financial operations and social role. Such an entity is thus able to discharge the traditional stewardship role required of financial statements as well as representing citizen's interests. Indeed, the whole stewardship concept has a longer foundation in local government accounting than in commercial concerns (Jones, 1996b). Thus we should have no difficulty in accepting a local authority geographical area rather than the legal entity of the local authority as at present as the basis for an accounting entity. The problem of representing property rights over common property can also be resolved (Pallot, 1992).

Local authority accounting tradition also invites a reconsideration of the modern distinction between accounting and audit. In local authority accounting history, the 'audit' was for long the occasion not only for the oral hearing but also the process by which the accounts themselves were constructed. Thus some of the debate about the distinction between the two which has been raised in the context of social accounting and audit need not be a conceptual problem: so long as audit methodologies are readily and consistently repeatable, we can regard social accounting as indistinguishable from a succession of social audits (cf. Geddes, 1988).

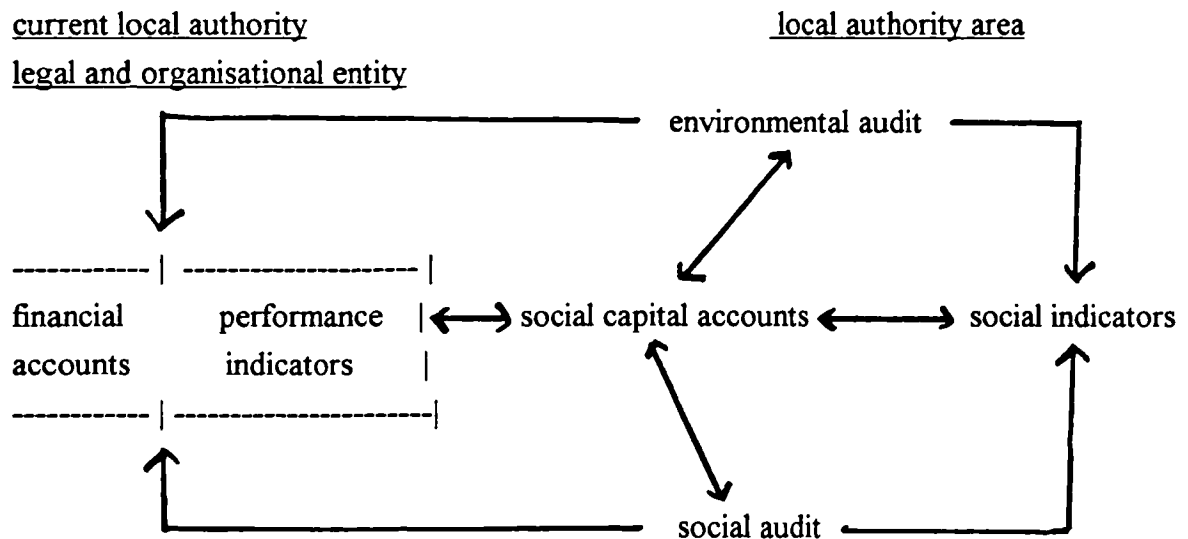
The next problem is the conceptual framework for such an entity. As discussed above, there have been a number of attempts to develop social accounting for a range of specific purposes, most of which involve an intention to increase the accountability of organizations to their stakeholders by measuring and reporting publicly on a wide range of non-financial aspects of the organization's activities. That would be also be the aim of

non-financial aspects of the organization's activities. That would be also be the aim of accounting for social capital, except that with the change in accounting entity to the local authority *area* we would need an approach more like that of recent work on sustainability we have already mentioned whereby environmental assets (critical natural, sustainable and artificial capital) are the starting point (Gray, 1993: 289-90). We would also need to relate this in some way to existing accountings, whether these be the traditional financial accounts of local authorities or the social indicators or environmental or social audits. Since social capital can contribute to the success of all aspects of local authority performance, it follows that it should have some kind of central relationship with all other forms of accounting and thus could form an important linkage between what at present are totally unrelated accounts (see **Figure 7**).

So how would the social capital accounts be drawn up? It is helpful here to describe Putnam's methodology, which consisted of a wide range of social science tools (Putnam, 1993: ch 3 and App A). Firstly, there is a range of institutional performance indicators for the regional governments, which consist of measures or evaluations of cabinet stability, budget promptness, the availability of statistical information, the range of their legislative programme and the degree to which it was innovative (as against copied), the numbers of day care centres and family clinics, the use of industrial policy instruments, local health and agriculture expenditures, housing and urban development and, finally, a measure for bureaucratic responsiveness. Interrelations between these measures showed a good level of consistency.

These performance measures were then compared to poll evidence of citizen satisfaction in their regional governments. After controlling for party loyalty, there was again a good correlation between the institutional measures and the citizen's perception. A similar

Figure 7: Conceptual relationships between types of local authority accounts.



exercise based on judgements made by community leaders tended to confirm the citizen's views. These surveys and the correlations with institutional performance were repeated six times between 1977 and 1988. Other techniques used included interviews, case studies and a 'citizen contact' study. Traditions of civic involvement were measured using five variables:

- strength of political parties
- incidence of co-operatives per capita
- membership in mutual aid societies
- electoral turnout
- local associations founded before 1860.

The emphasis on the long traditions of civic involvement invite the conclusion that little can be done in the short term, but whilst emphasizing the importance of historical roots, Putnam also says that changing political institutions can change political practice and civic

consciousness, thus helping to break into the 'virtuous circle' of social capital (ibid., 1993: 182-185).

A broader set of indicators measuring social capital could include:

- measures of security and stability (e.g. crime, migration, family size)
- measures of association and participation (e.g. levels of social contact, membership of community groups, local representation and power on official bodies)
- 'subjective' measures (e.g. degrees of trust, local identity, quality of life, alienation)
- 'facilitating factors' (such as local economic strength, housing, education, health and environmental conditions).

It would be important not to fall into the same trap as many attempts at new social and economic indicators of trying to represent economic or human development as a whole (cf. Miles, 1985): one of the advantages of measuring social capital is that it is itself a measure of social success and economic potential (Fukuyama, 1995). One important feature of these kinds of measures would be the active involvement of the community itself in deciding what was to be measured and how (cf. LGMB, 1994).

In the UK attempts to operationalize these kinds of ideas have drawn on the previous social audit experience. Pearce (1993) proposes a 'community enterprise' audit. This process entails defining community benefit objectives, agreeing with the enterprises making up the community how their activities will contribute to these, setting up the bookkeeping system, carrying out the annual audit and preparing the report (ibid.: 115-125). This method could in principle build up something approaching a community 'balance sheet' where the wide benefits and costs of community enterprise activity could be collated, including financial profit/loss.

This process is envisaged primarily as a way of dealing only with enterprises which

themselves depend on social capital and attempt to create it as part of their activities, but there seems to be no conceptual reason why the community programmes of commercial enterprises operating in the area could not be included as well. But the system would allow an assessment to be made of how social capital in the community had changed.

A methodology with a slightly different emphasis is given by Hawtin et al. (1994), who deal with the issue of *who* does the accounting. Providing an introduction to social science techniques and an outline of a process by which a community profile can be drawn up, the aim is to encourage any community group to do their own. This approach chimes well with the self-help emphasis in the social capital literature and also attempts to raise one of the problems of social auditing and accounting: the problem of expertise and the relationship between the experts who do the appraisals and the local community as 'client'.⁵ A number of self study profiles have been done, in addition to the more conventional local authority and health agencies studies of community needs (Hawtin et al., 1994:167-190). This kind of approach draws on the experience of some local authorities in attempting to introduce sustainable development indicators for their community in response to the Rio Earth Summit 'Agenda 21' (LGMB, 1994), and seems to offer some possibility that the *process* of account production need not be solely in the hands of 'experts' either in the sense of their direct control or by virtue of their controlling the methodologies and measurements. A different point is therefore that perhaps part of the new forms of communication called for by some accounting researchers could be realised by this means (e.g. Laughlin and Broadbent, 1994).

A New Direction?

So, what does this leave us with? It seems perfectly plausible to develop certain indicators of social capital in a community. These would consist of assessing the number of voluntary

and mutual aid associations based or active in the area, their age and affiliations (i.e. the extent to which they exist in response to demand and are locally supported or whether they are 'imposed' from outside) and the extent of community involvement in them. Social networks can be mapped using standard anthropological techniques. Measuring strength of identification with local communities has already been done in the UK as a prelude to recent local government reorganization (Gosschalk and Hatter, 1996). Measuring norms of reciprocity would require poll and individual and group interview activity, based on long-standing practice (e.g. surveys of public trust in various professions and institutions). Most importantly, local community groups themselves should take the initiative in defining which aspects of community life are of particular interest to them (Hawtin et al., 1994). These social capital accounts would take their place in a network of accounts and accountings which either exist or could be produced using known methodologies (see figure 7). Thinking in terms of social capital could provide the discursive resources needed to 'make accountancy practical' in new, more emancipatory ways (Miller and O'Leary, 1990).

But interesting though these possibilities are, and we should not overlook the benefits of an invigorated set of community organizations with local participation drawing up and using social accounts, from an accounting point of view the main conceptual development would seem to be the redefinition of the accounting entity itself. At present, the rhetoric of accountability is based around liberal self-interest theory which produces a restrictive input/output model of local authority accounting rooted firmly in financial measurement: that the services received in exchange for tax dollars is the equation local citizens are interested in, and the local authority organization itself (including elective representatives) is the object of accountability. Changing the entity away from a focus on the organization to that of the community would immediately change the ethos of this accountability for local

authorities in the same way as would be achieved through the proposals by Tinker (1985) and Gray et al. (1993) for economic activity as a whole.

So whilst not wishing to abandon the principle of holding local authorities to account for their actions, what is needed is a broader conception of their stewardship role in the local community. A community leadership role for local authorities in the UK has been often discussed (cf. Perri 6, 1995), but at present the accounting arrangements add virtually nothing to improving civic culture. Deriving speculative values for authority-owned assets and translating them into accountings for managers which are incomprehensible to the citizen and either make no difference or else encourage decisions based more on financial criteria than any others seems an approach peculiarly indifferent to citizens' wider aspirations for their communities.

If we accept the power of accounting to produce different versions of reality (e.g. Hines, 1988), an accounting which might help bring about a reconceptualization of these aspirations and encourage local authorities to visualize their leadership and stewardship role more clearly would be based on the geographical local authority area. This accounting entity could include all the economic activity carried out in the area as well as the social and environmental audits, social capital audits and community profiling we have been discussing. It would become clearer what community resources are and how they were being used. The extent to which the costs and benefits of economic and social activity in the area were being applied to the local community as against being appropriated elsewhere would become apparent, as would the strength of community institutions and associations. The degree to which welfare programmes were funded from outside the area would become clear, as would contributions to other areas. The analogy would be with the national income accounts including social capital and natural resources

being proposed by the World Bank. An indicative summary account is shown in Table 5. Accounts would be drawn up with the active participation of the community, including so-called 'subjective' measures from opinion polling, town meetings, focus groups etc., rather than the present obscure arrangements controlled by accountants. By this simple step, many of the criticisms of management by accounting in local authorities would be overcome.

Unfortunately, of course, it would not be as easy as this. The main difficulty (apart from the costs) would be persuading private companies (especially multinationals, who can divide up the world in any way they choose) to publish accounts detailing their activities in the area. Here we are back to the problems of power and ideology with which we began. And the questions of exactly how a community could change business behaviour through the publication of local accounts would remain. The power of calculation would create new areas of expertise and centres of power which cannot be validated on grounds of representational truth and which would be open for the construction of new combinations of power and knowledge (cf. Power, 1997b). But one promise such a practice might offer is the possibility to make visible in some way whether economic entities such as companies were enriching or depleting community resources (more widely defined and monitored than at present), of the area they have chosen to locate in. Conceptually, there seems to be no reason why accounting frameworks cannot be devised to reflect such a view of community (defined by area) as the dominant accounting entity. And such developments might chime well with the neo-liberal mode of government we are experiencing, even if there may be certain adverse effects.

Table 5: A possible Community Account.

X Community Accounts, year ended 20—

Community Income

salaries and wages paid to resident employees
supplies and services purchased from local suppliers
value added by local commercial production or service processes
other community benefits arising from employers' activities
net community benefit from community enterprise schemes
grants and services provided by non-local government to the area
interest and dividends received by residents
expenditure in the area by non-residents
value of non-cash services provided (e.g. DIY, childcare, LETS schemes)
other growth in amenity or social capital
net growth in residents' asset values (housing etc. excluding DIY)
net company investment in permanent assets

total community income

Community Costs

wages and salaries paid to non-resident employees
company profits transferred elsewhere
company expenditure elsewhere
interest paid elsewhere
taxation paid by residents to non-local authorities
residents' expenditure outside the area
environmental costs of polluting activity within the area
environmental costs imposed from outside the area
other loss of amenity, loss of social capital etc.

total community costs

net resident population adjustment

net contribution to community assets

balance b/f

balance c/f

notes of contingent liabilities, accumulated residents' pensions, etc.

NOTES

¹ The literature on performance measurement in the public sector is too large to be summarised here. See, for example, Carley, 1983; Pollitt, 1986; Carter, 1989 etc..

² See, for example, Gray, 1993: 290 note 20.

³ See, for example, Demos Quarterly, issue 9, 1996, London, Demos.

⁴ See, for example, Demos Quarterly, issues 2 and 4, 1994, London, Demos.

⁵ See also Bodington et al., 1986.

Chapter 6: Centres of Calculation.

This Chapter brings together the approach and the empirical material presented throughout this study into a novel way of understanding the nature and role of accounting and local government.

"No, we need to get rid of all categories like those of power, knowledge, profit or capital, because they divide up a cloth that we want seamless in order to study it as we choose. Fortunately, once we are freed from the confusion introduced by all these traditional terms the question is rather simple: how to act at a distance on unfamiliar events, places and people? Answer: by somehow bringing home these events, places and people. How can this be achieved, since they are distant? By inventing means that (a) render them mobile so that they can be brought back; (b) keep them stable so they can be moved back and forth without additional distortion, corruption or decay, and (c) are combinable so that whatever stuff they are made of, they can be cumulated, aggregated, or shuffled like a pack of cards. If those conditions are met, then a small provincial town, or an obscure laboratory, or a puny little company in a garage, that were at first as weak as any other place will become centres dominating at a distance many other places."

(Latour, 1987: 223).

Accounting and Liberal Government

How can we understand the nature and role of municipal accounting? What abstract entities and processes are needed to construct a plausible domain of practical reason that can embrace realms of expertise, of people, of technologies, of discourse and of government? Enough has been said in this study to indicate that those proximate networks of relationships and responsibilities that partially organise and direct certain vital aspects of social organisation in the geographic locales in which we live have been

relatively neglected by academic studies. In political science, the local authority or local state is represented largely as a local agent which operationalises the remote but all-pervasive power of the nation or capitalist state. It may be infiltrated by local politics, have important localised economic features or be a micro-polity in its own right, but it is unlikely to offer either a guide or a threat to the inevitable centralisation and concentration of power that modern states seem to embody. Its main locus of interest is as a relay of government, an imperfect implementor of the dreams and schemes of 'central' politicians and administrators. The formal subordination of its role is enshrined in legislation and statute which symbolises its impotence and which is made even more apparent when attempts are made to mount resistance to national policies from a municipal base, as for instance, in the efforts of 'the new urban left' to resist Thatcherism in the 1980s (cf. Boddy and Fudge, 1984; Cochrane, 1993).

The accounting practices of local authorities have been neglected even more, although accounting has been particularly prominent in the context of Thatcherism and associated neo-liberal programmes such as the 'New Public Management' (Hood, 1991, 1995; McSweeney, 1994; Clarke and Cochrane, 1989). Most accounting commentators have been more concerned to elaborate and enhance the accounting contribution to the rhetorics of economy, accountability and probity associated with these programmes than to offer critique which does not require more or better accounting to solve the failures engendered by these political rationalities (see e.g. Lapsley, 1988). Even those offering such a critique mostly insist on locating the origin of current events in various 'managerialist' currents which began to surface in the 1960s in Britain (see e.g. Broadbent and Guthrie, 1992). Those few commentators who have considered the substantial historical archive have invariably used it to examine how currently endorsed practices came eventually to succeed their 'inadequate' predecessors.

All of this is disappointing. Clearly, accounting changes and resistances need to be studied in their 'contexts' (Burchell et al., 1980) and 'arenas' (Burchell et al., 1985), so that when these changes are contemporary, it is important to examine exactly what their impact is and how it is achieved. Contemporary changes in the role of accounting in public services are widely recognised to have been profound (Humphrey et al., 1993). Historically, the institutions and practices of local governments have provided one of the main sites for the inculcation of 'good citizenship' in the constructed realm of 'civil society' on which liberal government depends. Recent events in the management of public services, and the important role accounting has played in them, are far from being simply contemporary responses to contemporary problems. As previously noted, attempts to identify clear causes and responses to current problems have failed (Hood, 1991, 1995; McSweeney, 1996). Instead, these events should be seen as part of the historically momentous project or movement for solving the problem of the inadequate reach and authority of sovereign government by installing liberal governmentality as a mentality of rule in each and every citizen, so that they voluntarily and habitually act in ways of which sovereign government would approve.

This mentality of course requires not only the discursive construction of the individual citizen as both an object and subject of government but also new techniques of surveillance and the construction of new knowledges pertaining to the governed realm of the individual and the population which are necessary to ensure its efficacy. Thus the technologies which are necessary and which necessarily create the entities which this governmentality requires become of critical importance. And the calculative practices which are sometimes labelled accounting have been of vital significance among these technologies.

So at the very least, we should expect a higher degree of interest in accounting technologies among those pondering the problems of government. But we should also expect any studies of contemporary accounting changes in public services to be related to and woven in with the broad historical canvas which predates the current neo-liberalism. There are few such studies. Some examples of the approach, dealing with topics covering a fairly protracted time period such as national economic planning (Miller, 1986; Miller and Rose, 1990), are available, but examples which specifically explore the changing relationships between accounting and liberal government throughout their histories are not. The present study is an attempt to begin to remedy this deficiency.

This outlook necessitates historical study, but this presents its own difficulties. Historical studies no longer seek to write the whole history of the world, or even now pretend that any particular study contributes to this one 'true' history. Rather, history is now a diverse, problematising discipline, offering and accepting multiple and often incommensurable voices and interpretations, investigating the discursive formations and cultural biases inherent in the practices of history, challenging even the possibility that we can approach historical truth (Chapter 2 above). Accounting history has so far made few attempts to come to terms with the implications of these ideas, remaining largely concerned with exploring how accounting necessarily 'developed' into the set of practices we have today. Studying historical events in accounting, for example, how the 'triumph of double-entry' came about, attracts a rationale that such understandings may help us bring about further 'improvements'.

This study has eshewed such an outlook. It has drawn instead on a view of history which attends to how discursive and non-discursive elements, of government in this case, have come in various ways, in various circumstances and for various reasons into conjunction

with each other for variable lengths of time and with many uncertain and unforeseen consequences. These convergences have stabilised and mobilised intellectual resources and technologies in specific surroundings and within networks which have constituted themselves as centres of political power. Thus, the 'history' of these networks is not an evolutionary, teleological movement towards the present but attempts to elaborate the elements of their individual construction. The aim is one of understanding how elements of the present happen to have combined in the particular familiar way that they have, yet how they may have been or could perhaps be assembled differently. Thus the ontological status of 'history' is problematised, and its epistemological components, traditionally of historical cause and effect, are loosened so that we become more concerned with the modes of action discursive movements make possible.

The methodological effects of this perspective are pronounced. In order to understand how particular assemblages of ideas and practices became possible, we do not need to begin with the classic economic or political histories of 'environments' expressed, often, in statistical form - the sizes of populations, their productivities, their mobility and morbidity, the political forces as embodiments of material interests. Indeed, this very quantification is argued to itself be an historical artifact which is drawn from and constitutive of historically specific notions of objectivity and subjectivity. We do not need to 'begin at the beginning' and attempt to construct a totalising discourse of history which in principle links every event with every other in knowable and determinate ways. We do not even need to contemplate the staples of political sociology and political science: the birth of classes and nations, and the functional necessity and *modus operandi* of the state or the state-system (cf. Mann, 1993; Jessop, 1990; Abrams, 1977/88).

This study has attempted to analyse certain discrete moments of the past of what is today

recognised as a professional expertise in terms of the networks of power that it wittingly and unwittingly constructed or was constructed by. It has chosen to focus on those elements of power which inhere in technologies such as calculation and inscription, and to show how these resources have become an apparently indispensable part of a distinctive rationality of government which inhabits all of our experiences and behaviour, not just those which fall within the traditional sphere of government understood as the theory or sociology of the state. These accretions of power constitute the basis of a positive practice of government (in the sense of a practice which did not previously exist) and which constructs alignments of people, techniques, institutions and programmes in innovative ways (Barry et al., 1996: 8-12). It is these positive effects of government that the methods adopted by this study attempt to illuminate.

Liberal and Local Government

The practices and knowledges of government understood in this way, for example, in education, the care of the poor, the sick, and in public health, have historically at one time or another been deployed and in large part developed through and within the institutions of local governments. The organisational practices of these institutions, their local political role in their communities and their role in facilitating transport networks were also crucial in normalising expectations and inducing the appropriate behaviour which allowed bureaucratic governmental procedures and the 'professional' knowledges and practices which were subsumed by them to spread throughout the country. For the 'central' government, whilst being an apparent source or at least disseminator of political rationales, has never been able to develop for itself the detailed knowledge and practices which would allow it to specify in precise detail exactly how governmental programmes

should be implemented or activated in the myriad diverse settings and circumstances of the governed realm, although its expertise in, for example, accounting practices has significantly increased in recent years. Local governments have been the sites where the detailed knowledges, practices and technologies which make liberal government operable have been largely worked out, as least so far as the non-military disciplines are concerned.

Clearly, the 'central' government has had access to and has been able to appropriate much of the knowledge from which many of the practices derive, for example in medicine or social policy. Unique but translatable practices of government arose in central departments of state, notably in the excise departments and the India office, and their role in establishing a 'bureaucratic' mode of government and its associated rationality itself proved a resource for professionalizing expertise in local governments. But it only represents one thread in a complex garment. And the blunt instruments of legislation and the more subtle ones of persuasion and example have been widely deployed, as part of the discourse of government, to inculcate the appropriate habits into the population. In times of war, or civic unrest, more overt forms of domination have impressed themselves. But the inability of a remote central power of government to have its intentions implemented precisely throughout the country remains (assuming they could be exactly specified or collectively agreed). Accounting is an excellent example. As we have seen throughout this study, the superior authorities in Parliament and departments of state have been largely unable to specify what the accounting requirements for local authorities should be beyond certain broad requirements to keep and publish accounts and to separate out certain broad categories of expenditure. For it has been the case since at least the late 1700s that the accounting practices employed in local government (initially and most markedly in certain municipal corporations, but later in all the various local governmental institutions beyond small parishes) have been more extensive and more elaborate than those used by central

government. Even the latest capital accounting regime (Chapter 4 above) was developed by the local government accountancy profession rather than by central government departments. Clearly there are many complex reasons for this, but it is also clear that as a site of emergence for the important governmental practices of accounting, local governments have had a role and significance which has not been sufficiently considered.

It is also clear that a simplistic model of a centre imposing rule over a compliant country is inadequate. This has been recognised by a wide range of political scientists and others from a whole spectrum of perspectives once the preoccupations of legal constitutionalists came to be of lesser interest to academics (Chapter 1 above). A lot depends on flows of information and intelligence: from the localities to the centre and vice versa, between different parts of the centre, between the political and civil spheres of society and between and within the networks of government such as policy communities (Rhodes, 1988) about what the problems are, what is possible, what learned and experienced opinion says should be attempted and why. These communications take place within a discourse about what proper government is: what and who is to be governed, by whom and how.

This reflexivity and questioning is intrinsic to liberal rule, a necessary part of the non-state 'civil society' which is constructed 'beyond' the state, even in marxist formulations (Abrams, 1977/88: 59- 61). And of course we know that central government is not a homogenous monolithic entity existing in isolation from the population it seeks to govern. Government is a network of relationships between people, institutions, rationalities, technologies, relays, mechanisms and devices of rule within which the constitution of 'a' centre is more heuristic than observable. The 'State' is a convenient shorthand but one which is misleading insofar as it suggests an internal consistency and clear boundaries which may not exist. As successive formulations of state power fail to grasp all the elusive

qualities of populations which would account for their inexplicable reluctance (in modern liberal polities) to rise up against the manifest injustices they are subject to, we are led to a totalising view whereby state and society become indistinguishable and which attributes the state with powers over personal life which it does not have. The state recedes even in neo-marxist formulations:

"the real official secret, however, is the secret of the non-existence of the state"

(Abrams, 1977/88: 77).

Liberalism, by contrast, constitutes regions beyond even ideological constructions of the state, and current rhetorics of devolution and empowerment which actually seem to result in some limited shifts in power away from the state (at least in some areas where the state no longer wishes or is not able to exercise detailed control) poses problems for hegemonic theorists, who are obliged to argue that these changes are 'false' freedoms, much as neo-classical economics was associated with 'false' consciousness. 'Unmasking' an 'idea of the state' which doesn't 'really' exist has become increasingly problematic as it seems to give up the project of total domination, even as it is accused of greater concentration of power. Weberian legitimation theorists (e.g. Mann, 1993) may seem to have an easier task in giving accounts of this apparent paradox, but the concept of the 'state-system' they employ continues with its functionalist outlook and characterisations of the state as an 'actor'.

This study proposes that insufficient attention has been paid to the creative role of local agents who are traditionally considered part of the state yet in many important respects have been 'beyond it' in developing new practices of government, particularly in their close association with and promotion of what have come to be regarded as professional

knowledges and practices. And it is also even more problematic to regard local governments as homogenous, as research has always revealed (e.g. Webbs, 1963). The perspective offered in this study is that we should regard places where quantitative information was first gathered and inscribed as generating power in those places even if the inscriptions can later form the basis for other centres of power which can themselves translate them into, for example, national economic plans (Miller and Rose, 1990).

The Thatcherite programme of stripping local authorities of their responsibilities and power for many services such as education and housing through the establishment of separate, non-elected quangos to oversee them, whilst imposing many new legal constraints on exactly how their remaining services should be run (such as compulsory competitive tendering and extensive new audit arrangements) may lead some to suppose that even the often low levels of interest in local authorities in the past were higher than they warrant today. The new Labour government in the UK seems not to be contemplating amending many of these structural changes, and the change in the ethos of how public services should be run seems irreversible. In politics much is made of the low levels of elector participation in local authority affairs, and much academic attention is now being directed at the governance of the new 'local' bodies, such as NHS Trusts, GP fundholders, School Governing Bodies, Incorporated Further and Higher Education Boards, Training and Enterprise Councils and so on. And accounting, in a less intensive form than remains customary in what one might call the traditional statutory and territorial local authorities, is an important part of these new regimes.

Accounting Expertise and Local Government

Yet whilst the neo-liberal discourse which provides the rationale for these changes is

widely acknowledged, there remains a curious lack of interest in exactly how these transformations have come about and how they are accomplished. Why is accounting such a powerful ally of liberalising government? How does it achieve 'liberalising' effects? Governmental edicts flowing from the New Right politics of the 1980s casting accounting as an instrument of control are sufficient explanation for many. Even though it has proved difficult to identify a precise set of components and conditions for 'New Public Management' throughout the world (Hood, 1995) or to substantiate any of the proposed candidates for the events in the UK (McSweeney, 1996), there is a broad acceptance that the welfare state as envisaged in the immediate post-World War II period and put in place in the 1950s and 1960s cannot be sustained and requires 'control'. So many perspectives, even those critical of neo-liberalism, tend to regard accounting as a instrument of control which, as it were, "sits on the shelf", ready to be dusted down, imposed and elaborated in its imposition by the realities of power and resistance. A similar, if more favourable view, is held by those apologists for accounting who believe that more and better accounting is necessary in order to achieve the improvements in accountability or value for money 'government' is said to need.

So, on this kind of reading, accounting professionals who devise and impose these more elaborate codes of accounting on behalf of governments are allies in innovation or repression, taking their rewards for collaboration in status, financial well-being and self-regulation. This role for professionals is in accordance with the professionalisation theories of the 1970s, whether broadly 'Weberian' or 'critical' (e.g. Friedson, 1970; Larson, 1977). But these perspectives seem content to leave exactly how accounting technology achieves its control effects relatively unproblematised, concentrating instead on the political processes involved in, for example, devising the codes and standards which eventually get deployed. The discussion in Chapter 4 on capital accounting would provide ample material

for both kinds of analysis. But the 'knowledge' which underpins the professionalisation project is either unexplored or legitimated by its origin in or endorsement by the university (cf. Abbott, 1988).

This study has focused on a different set of concerns. Drawing on recent elaborations of Foucault's work on governmental rationality in the late 1970s (Gordon, 1980, 1987, 1991; Miller, 1990, 1992; Miller and Rose, 1990; Rose and Miller, 1992; Barry et al., 1996), the study has attempted to place local government accountancy in its context of being exactly contemporaneous with liberal government, and of having played a key role in making liberal government thinkable and operable. It is now time to elaborate on how this has been achieved.

Firstly, we have drawn on a characterisation of all liberal government, in contrast to its predecessor, as representing a permanent and active scepticism about the role and extent of government (Rose, 1996). The construction of apparently non- governmental realms such as the market or civil society populated by self-reflecting and self-responsibilising citizens creates and requires a certain mentality of rule, which is always asking how government is being achieved but whose aim is to ensure that 'free' citizens spontaneously act in accordance with governmental requirements by, for example, sustaining and constraining the image of the calculating economic individual and the ethics associated with it. It is this mentality of rule rather than a discourse of individual rights and duties, or a political philosophy of freedom and emancipation which is the focus of attention. How this mentality came to be constructed (its conditions of possibility) and how it operates has become the subject of a range of historical research. Examples of techniques studied include the examination (Hoskin and Macve, 1986), double-entry bookkeeping (Thompson, 1994), discounted cash flow (Miller, 1991), psychology and psychiatry (Rose,

1990) and settings such as the factory (Miller and O'Leary, 1987), the Colbert period in France (Miller, 1990), the Springfield Armoury (Hoskin and Macve, 1988) and the welfare state (Miller and Rose, 1991; Rose and Miller, 1992).

In this conceptualisation, expertise is one of the main means by which the necessary disciplines for liberal governmentality are inculcated into an individualised population. Belief in the authority of experts and the legitimacy of this authority is founded on a complex array of means for the production of truth and morality, the ethos of professionalism. The relationship between the professional and his or her 'client' and the discourse which legitimates this relationship as being of prime ethical concern is itself one of the ways in which the idea of the autonomous, partially knowledgeable but fully calculating individual 'naturally' pursuing his or her own interest is constructed. The knowledges on which professional occupations and practice are allegedly founded are themselves the product of the power which the discourse of professionalism engenders—the familiar power/knowledge conflation (Gordon, 1980). The individuals who practice under this ethos and whose practices largely produce the knowledges which transform the settings in which the individualised object and subject of government 'freely' governs himself are themselves subject to the cumulative and governmentalising nature of other professionalising discourses, for example concerning their children's education or the care of prisoners.

But it does not follow that the authority of expertise, its sources and its effects, is entirely 'knowingly' constructed by these professionals. Unintended and unforeseen sources, effects and consequences of professional practices inhere in the networks of people, institutions, techniques, languages and practices which comprise liberal government. The network itself produces power, rather than power flowing from a fixed point. In

particular, from the point of view of this study, the technology of calculation has an autonomy of its own which resists attempts to subvert it entirely, whatever the critique mounted against its deployment. This power resides in the capacity of inscription and calculation to produce centres of calculation through being able to mobilise, stabilise and aggregate entities (numbers) which produce action (Robson, 1992; cf. Latour above, *ab init.*). The translation of previously unrelated entities into numbers, tables, diagrams, maps which can be mobilised in other settings by other actors is an important source of power (Callon, 1986). These mobilisations themselves facilitate the meshing together of a nexus of calculation, people and rationales so that it becomes possible to be able to relate minute transactions to literatures, machines and locations such that they become inextricably linked to overarching discourse like 'government' or 'science' and rationales such as 'efficiency' (Latour, 1987). Devices such as the printing press were important contributors to achieving these effects (Thompson, 1994). And accounting is another such device which allows numbers, through the device of accounts and their aggregation, to become wedded to such rationales of national economy and efficiency so as to seem indispensable to action in these domains.

The power of quantification itself in producing 'objectivity' is an important legitimating device both for accounting (Porter, 1992; Miller, 1992) and also for 'democracy' (Rose, 1991). The standardisation and impersonal rules which quantification appears to produce are an important resource for professionalisers and government. Quantification in statistics and accounting defines reality, creates rational forms of behaviour, offers something to control and through that control, facilitates government (Porter, 1996; Hacking, 1990). This power is what crucially enables the action at a distance that liberal governmentality depends on (Miller and Rose, 1990).

And the place in which the calculations first get done constitutes a centre and a source of power which is capable of exploitation into a professional expertise. This is the initial source of the power of municipal accountancy, which once established, for example in the thousands of small parishes administering the minute aspects of the Poor Laws and the Laws of Settlement in the eighteenth century (Chapter 2 above), became elaborated in the administrative routines and governmental impulses of the urban welfare programmes of the mid-nineteenth century to emerge as a complex expertise of accounting by the end of it (Chapter 3 above). Thus the local authorities where these calculations were performed are crucial centres of calculation, more important in many ways than the traditional centre of government, which was able to utilise the numerical and other information constructed and summarised in the localities and transmitted. Although the central organs of government were able to instigate their own mechanisms for producing and aggregating information (for example, Parliamentary enquiries such as the Royal Commission on Municipal Corporations (Chapter 3 above) and the various Inspectorates that were established in the late nineteenth century (Fraser, 1976)), government depended heavily on the translation of important aspects of the governed realm into quantified accounts and their enrolment and mobilisation with discourses of efficiency, probity and control. Thus this view of government not only focuses on the role of the technologies and languages of government but also subverts the traditional 'view from the centre' to a view from the 'centres'. These diverse and disparate seats of a constructed calculative expertise provided much of the 'local knowledge' in standardised form which enabled not only the centre 'make visible' and hence have power over realms it could not otherwise apprehend, but also one which surveyed and policed the population by constructing them as individual ratepayers, voters, officials, paupers and the like, together with their appropriate moral conduct.

Centres of Calculation

Throughout this study, we have emphasised the importance of regarding government as something which should be studied in terms of its effects on individuals and the means by which the subjectification of governed citizens is accomplished. This mode of analysis has been contrasted with a political science and political sociologies which regard the constitution and action of the state as being the key originator and agent of government, which is defined in terms of its power to make citizens act against their own interests through mechanisms and ideologies of domination. So far, this comparison has been conducted in very general terms. But there have been specific debates between critics and proponents of governmentality as a means of analysing political power. An example which encapsulates many of the issues it raises is Curtis, 1995 (referred to in Chapter 3 above). These issues raised in his paper offer an opportunity to review the strengths and weaknesses of the approach taken in this study, and also to demonstrate how the local government material presented here can contribute to this debate.

Curtis' critique is directed against one of the main papers used in this study (Rose and Miller, 1992). Particular criticisms which this study can help to address revolve around the issues of political power and domination, human agency and the nature and role of government in liberal polities. As we have seen, in Rose and Miller's formulation, the latter focus on the concept of 'action at a distance' and the role of centres of calculation in producing or reflecting power.

Much of Curtis' criticism stems from what he alleges to be the inconsistent stance of Rose and Miller in proposing what they claim to be an alternative conception of government yet one which, in its mobilisation, is argued to remain dependent on the traditional

concepts and historically real forces the analysis claims to eschew. Curtis claims to detect an ambiguity in Rose and Miller's use of concepts like the state and government and in their explication of the character of liberal and neo-liberal government in particular (Curtis, 1995 *passim*). He claims that references to these concepts (such as the role of the state) and other traditional elements of political science such as violence and 'real' social forces have been elided from the writings of Foucault and Latour which Rose and Miller refer to (*ibid.*: 576, 581, 585). He accuses them of a lack of historical specificity and vagueness over the 'concrete' nature of the authorities which seek to govern and a failure to elaborate on how 'centres' of political power come into existence (*ibid.*, 582-3, 584). The latter criticisms lead to claims that human agency is ignored and that the exercise of modern political power is based on persuasion, negotiation and consensus (*ibid.*, 581-4, 579). Finally, the characterisation of neo-liberalism presented by Rose and Miller ignores the centralisation of power and knowledge in the state which has taken place and its impact on the government, for example, of schools through such devices as the national curriculum (*ibid.*, 587).

Miller and Rose themselves respond to these criticisms, in particular attacking what they describe as the outdated polarities of realist and idealist, domination and emancipation, subject and object, which have characterised political sociology (Miller and Rose, 1995: 593). And they rebut charges of failing to address the specificity of authorities, historical specificity and the question of agency (*ibid.* 592). They claim that discourses of the state do not occupy the same conceptual space as analytics of government, and that, vitally, Curtis fails to appreciate that "the practice of freedom is never the absence of government" (*ibid.*, 593).

Whilst not attempting to respond to all the criticisms made by Curtis, this study provides

be said to comprise or from which other disciplines it can derive its authority (cf. Miller and Napier, 1993).

The Construction of the Expertise of Municipal Accounting

The next set of empirical material covered in this study was the establishment of a recognisable expertise of municipal accounting and the professionalisation project which accompanied it. We saw how the concept of professional occupations surrounded and was represented in various ways and to various extents in the localities and institutions of local governments in the early and mid-nineteenth century, in particular, in the municipal corporations. These bodies, though creations of statute, were very far from being the local agents of a central state authority. Not only were they often fiercely independent of 'central' government and embodied local, often ancient, jurisdictions and sensibilities, but also often represented political opportunities to those, such as Catholics and dissenters, who were excluded from participation in what were seen as more powerful organs of government. Corporations were 'private' organisations, depending for their existence and often their revenues on ancient rights and charters, and local Acts of Parliament they were able to secure from their rights to nominate MPs. And following the reforms of the 1830s, they began what is today the familiar separation of roles and tasks between elected politicians as councillors and salaried office holders - the bureaucrats - which was later to be influential in the reform of the civil service (Brewer, 1989). Also the role of corporations as trustees was distinguished from their other activities.

These are what might be said to represent the "concretely located groups ...[which] devised knowledge-based technologies in the pursuit of tactical advantage" (Curtis, 1995: 585); this formulation being clearly consistent with Johnson and Larson's early work

(Johnson, 1972; Larson, 1977). Yet this study has indicated how initially the proliferation of financial transactions did not require any new knowledge, and in many instances, did not initially result in any substantial increase in the number, status or remuneration of the treasurers and their clerks. We have noted the persistence of traditions of the local banker taking the role of treasurer, but salaried treasurers and formal treasurer's departments began to be established using only the transcribing skills of organisationally itinerant clerks. The parsimony of inscription was well able to represent the complex affairs of the borough for quite a long time without apparently needing to resort to conceptions of capital and revenue, funds and balance sheets. The importation of these entities can be shown to be related to the influence of various other factors: the acquisition of commercial undertakings such as waterworks and gasworks, the involvement of professional accounting firms as auditors or advisers, the promotion of discourses of 'proper accounting practices' and eventually the emergence of a cadre of 'expert' employees able to promote or oppose these practices. An alternative calculative expertise was provided by the District Audit Service, which long insisted on cash accounting, and did not employ many 'accountants' until the 1960s (Jones, 1996a; Coombs and Edwards, 1993, 1995).

So much of the power of the early salaried treasurers and clerks arose almost unwantedly from the proliferation of the inscriptions and tabulations which became both powerful representations of the government of the locality (through the construction of, for example, ratepayers, citizens and the 'needy') and inculcated appropriate moral behaviour, through the discipline of bookkeeping, the discourses of probity, justice and civic pride and the ability to promote fiscal calculations on behalf of individuals and collectivities. The proliferation of accounts and the records of the transactions they in turn were made to represent came to represent a *de facto* barrier to outsiders, but based on a 'knowledge' of

where to look and what to ask for, rather than a formalised body of expertise. This 'data-capture' did form the basis, along with a whole range of other discursive and non-discursive elements, of an enclosure and a professionalisation project, but its origin remained derived from its role in constituting centres of calculation. The elements of an expertise labelled 'accounting' from which to derive authority were always fragmentary, variable and partial until practices became appropriated by the paraphernalia of professionalisation. It was much more a case of practices leading to knowledge, than vice versa.

Mobilising the Power of Accounting

The final empirical element of this study concentrated on a specific local government accounting technology. It traced the discourses and practices surrounding what has come to be called local authority capital assets, considered how these have come into being and on what kinds of entities, resources and processes they depend. This analysis was then used to consider how the notion of capital might be employed differently in constructing local government accounts.

In this part of the study, we engage directly with the 'real' social forces and fabrications of accounting which Curtis claims Miller and Rose avoid (Curtis, 1995: 585). We note the interplay of various 'interests' - the local councillors and officials, ratepayers, the accounting profession, the Treasury, the Local Government Board, the Board of Trade. And we note too the political programmes of government in seeking to influence the actions of local authorities, for example in regulating their borrowings at the same time as encouraging the extension of services. And we see municipal accountants at the centre of such networks, struggling to formulate practices which satisfy or keep at bay hostile 'interests' whilst adhering to a set of rationales, discourses and practices which have come

to be constructed around municipalities. These practices, however, specifically problematise and mobilise some of the outcome of municipal activity as particular classes of 'capital assets' which can be readily distinguished from other kinds of assets (human skills, for example). Various definitions and rationales are constructed for these assets and if they adhere to certain categorisations and conceptualisations (such as requiring borrowing to produce them), they must be enrolled in other sets of procedures and relayed to another centre where other rules and discourses prevail. And these flows of quantified entities are created within larger discourses about the national debt and the efficiency of the economy, as well as those of public health, childrearing, transportation and so on.

Yet the striking thing about the whole capital accounting debate is its curiously abstract nature, whose power arises through the way it re- presents the arena of action. It took well over a hundred years of often vigorous debate, sporadic legislative programmes and inquiries, incipient professionalisation projects, millions of tabulations, inscriptions and translations, differing rationales of accountability, efficiency and probity to produce a means of representation which purports to act more determinedly on the contexts in which managerial decision is presumed to take place. The old means of representation has not disappeared - authorities still show the loans outstanding on their assets in their accounts. And much of what managers see in their newly structured versions of their organisational domain embodied in new management accounts and budget centres (Miller and O'Leary, 1987) as charges for these assets were previously there as debt charges. No more rates or taxes are needed to support the depreciation of this newly discovered wealth. What has been created is a whole edifice of often intangible or at least immutable financial value in order to encourage managers to take account of what is seen as a more accurate 'cost' of using capital assets and to represent their actions in accordance with these new visibilities. It is a systematised, disciplinary mode of representation which standardises and

normalises. It can be presented as an exercise in state power, a further centralising and dehumanising. It can also be seen as a pluralist political process, with accounting as a legitimate instrument of control.

But the changes which it brings about cannot be categorised as a simple imposition of rule and domination through mystification. Nor can these accountings be regarded as a set of neutral representational or professional techniques, or even as an outcome of political struggles. The capital accounting regime not only creates new assets by representing them in a new way, it also restructures the managerial domain in a way which offers more possibilities for meaningful action at a distance from the centralising power. The extension of the calculative technology of government enables citizens, managers and councillors more 'calculative spaces' within which they can act (Miller, 1992). Programmes of government can be mobilised in localities by representing the increased wealth of the area even though the resources may not be translated into financial assets, as is currently the case for capital receipts for council house sales. Managers apparently have more entities to manage and more discretion. The extended role of accounting allows more responsabilised action at a distance and more not less freedom, but it is the freedom that expertise allows within liberal governmentality (Barry et al., 1996). In short, there are positive power effects in localities which arise from the power of calculating in those 'local' centres which are not 'the' centre. It is a governed freedom based on technologies of calculation, constructed entities such as responsabilised managers and self-interested calculating citizens enrolled in discourses of accountability and efficiency. Clearly, no 'central state' can govern every aspect of the buildings, plant and machinery, even by prescribing in detail the conduct of local authorities. Expertise enables liberal government to function, and making visible 'capital assets' is one of many ways of extending the role of calculative expertise so that 'self-government' can become operationalised.

If we view the capital accounting events in this way, we can attend to the way in which valid discourses and authoritative speakers came to be constructed in this domain. That is, we can interpret these articles, reports, inquiries and debates in terms of their role in constituting a valid discourse and set of practices which facilitate the extension of expertise. In analysing the elements which make up this technology, we can offer some observations on how it might be constructed differently. Chapter 5 considered programmes which have attempted to do this. In particular, we considered whether the notion of social rather than financial capital was one which could be discursively mobilised, and concluded that, along with a powerful reconceptualisation of the space in which people live, some changes in representational practice could probably be achieved. But this reconceptualisation comes with a warning: attempts to systematically standardise and normalise these reconceptualisations will inculcate the same power to centres and make possible the same power *over* centres, for example by expertise, as present accountings come to do. A more emancipatory accounting attempting to build new governmental structures beyond the state should not be normalised. Each community, however conceptualised, should decide for itself what should be accounted for, how, when and by whom, and if, as seems probable, the results are incommensurable for the country as a whole, then the liberal edifice of the 'economy' cannot function. Then, possibly, new ethics and practices of freedom may be possible (cf. Foucault 1988). But the possible alignment of these ideas with the neo-liberal agenda of responsabilising individualisation beyond the state also represents a danger. For social action seems to require legitimating practices and discourses and hence groups are unable to devise procedures to produce these which do not themselves produce new disposition of power. Even the projects of personality and identity are enmeshed in governmentality (Hall and du Gay, 1996; Hunter, 1990). But an understanding of how the elements of accounting expertise relate to each other and how they came to be constructed is a necessary if not sufficient prerequisite.

A New Synthesis

This study brings together a number of academic fields and disciplines in a new way. For the first time, recent developments in theories of accounting and government have been applied to local government in England and Wales. In brief, the study attempts to extend the elaborations of Foucault's work on governmental rationality and expertise, which have already been taken up by accounting researchers, by examining the technology of accounting in local government. It has been contended that the domain of local governments, in conjunction with the particular the technology of accounting, have not so far received the consideration they warrant given their key role as centres of calculation which have facilitated the action at a distance upon which liberal governmentality depends.

The perspectives embodied in these theories necessitate not only a new set of conceptualisations of accounting and government, but also a distinctive set of methodologies to be applied to historical studies. These methodologies are conveniently grouped under the heading of 'genealogy' to distinguish them from the practices of historical scholarship which seek to interpret the past in terms of the present. By contrast to such practices, the study seeks to understand the history of the present by analysing certain discrete discursive elements to understand how they achieved their effects. Thus the empirical material in the study has been chosen to illustrate important aspects of these themes, rather than to write a conventional history of local government accounting. It is claimed that the understanding that such a method achieves is helpful not only in making sense of the current trajectories and discourses of neo-liberal government, but also in understanding how they can perhaps be unmade and assembled differently.

Further Research

For the reasons given above which are discussed extensively in Chapter 2, there has been no attempt to construct a definitive history or a single explanatory narrative with which to understand the role of accounting in local government. It follows, therefore, that a number of different accounts could be given, drawing on a range of different material.

Consequently, it would be possible, for example, to look more closely at, say, county government rather than municipal corporations, to consider how relationships with professional textual material, syllabuses and socialisation programmes were conducted, to consider perhaps by means of field studies how recent changes in local government accounting have been operationalised and with what effects.

In particular, since liberal government forms such an important part of this study and is explicitly contrasted with the earlier cameral sciences of police, it might be instructive to consider how the idea of police was mobilised in sixteenth and seventeenth century Britain. Although more usually associated primarily with the German States, Austria and Prussia, and traceable to absolutist regimes in France, Sweden and Russia, there was a discernible influence in Britain (Rosen, 1953). The particular emphasis in police science on what were in Britain largely locally administered services, at least at one time or another, as well as their emphasis on administrative and fiscal science, seems a promising area to explore. Mention of international aspects of police or liberalism suggests the potential for extending the research overseas, as it is widely recognised that aspects of both have been operationalised in many different international contexts. These possibilities are not in themselves needed to fulfil the aims of the current enquiry or would necessarily increase its usefulness: they would simply constitute additional and hopefully informative studies to extend still further the fruitful themes I have explored here.

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